FINANCIAL TIMES

No. 25,511 Thursday July 22 1971 ** 6p

News Summary

GENERAL

Malta deal 'not in sight'

...rrington, who flew back ...n from Malta yester... in his view "the basis ...w agreement is not in ...

...d he was "much con... about the differences ...n the two Governments on ...al terms for a new defence ...nent, thus revealing the gravity of the dispute, J. D. F. Jones.

...question now is whether ...intoff has been bluffing or ...er he will refuse to discuss ...terms even at the cost of ...economic and political em...assment to Malta. Lord ...ngton underlined the point ...rday when he said the Malta ...ties were "not indispens... to Britain. Back Page

Swiss express crash: 22 dead

...east 22 people were killed ...60 injured—nearly 30 ...usly—when the Switzerland ...ess jumped the rails at high ...l near the German border ...of Muellheim shortly after ...ng Basle for Copenhagen.

Train 'overloaded'

...wagons on a derailed hal... train hit by an express at ...ton, Surrey, on July 4 were ...oaded—one by 7½ tons—an ...ry was told. Ten people ...hurt in the crash.

Rumania ban on Soviet troops

...mania is understood to have ...Russia Soviet troops will not ...allowed to cross its territory ...Bulgaria for Warsaw Pact ...cises next month, writes ...hael Simmons. The Russians ...otherwise have to go by sea ...rt. Page 7

London Hotel fire

...broke out last night on the ...and sixth floors of the 700-...room Mount Royal Hotel, one ...London's largest. Firemen ...turntable ladders to rescue ...sts, but it was not known ...ediately if anyone was ...oned. Those rescued were ...jured.

Cholera alert

...000 people have been ...against cholera in ...pain's Saragossa pro... ...seven suspected cases ...ted in two small ...e area is far from ...ation spots.

...were satisfactory in ...r typhoid outbreak ...ech, Dunbartonshire.

Bad barons

...'s loyal troops and the ...of Monmouth's rehels are ...mad at two pilots who ...p buzzing them at Bristol ...they try to do battle. ...hey're slipping all over our ...ndtrack," groaned Patrick ...mgoole, the director trying to ...m Harlech TV's £100,000 ...torical spectacular, "The ...retenders."

Briefly . . .

...ccidental death verdicts were ...orded by the Dorset coroner ...three Press photographers ...lled when their Navy helicopter ...shed in the sea during a ...TO exercise off Portland Bill. ...urged that photographers ...ikely to be given such assign...nts should receive survival ...ning.

...anda has ordered British ...ured cars in a deal worth ...ut £1½m., President Amin told ...dget Bloom in an exclusive in...view on his country's relations ...h Tanzania. Page 9

...rmer Congo Ambassador Paul ...right, 56, is Britain's new Am...ssador in Beirut.

...ugby: British Lions beat Poverty Bay-East Coast 18—12 to ...ep their unbeaten record ...ainst New Zealand provincial ...es.

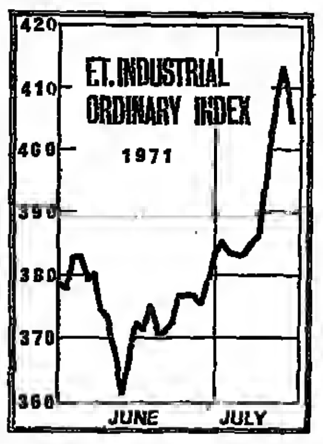
...resher sharks were sighted two ...iles o ffthe Kent-Sussex coast.

...ats: Youth who bit off a rat's ...ead for a £1 bet, then attacked ...e man he bet with when told ...e would have to swallow it to ...n the money, was sent to a ...etention centre at Leigh, Lancs.

BUSINESS

Equities in late rally: off 4.5

● LONDON EQUITIES rallied in late trading, with the index closing 4.5 down at 404.4 after



touching 401.3. Gilts were erratic, with mediums and longs finally showing gains of up to ⅛.

● £ ROSE $\frac{1}{16}$c to 2.41\frac{15}{16}$.

● GOLD ended 30c higher at $41.25.

● WALL STREET'S index was off 2.26 at $90.04 shortly before the close.

Bundesbank hint on Mark

● BUNDESBANK president Dr. Karl Klasen said Germany's Common Market partners were no longer insisting the D-Mark return to its old parity after its float. The bank was also ready to sell a further DM10,000m. worth of dollars. His remarks caused hectic foreign exchange activity, and dealers expect the Mark to float higher before a definite revaluation. Yesterday's selling was at DM3.470, equivalent to a 5.6 per cent. revaluation. Page 7

● WEST GERMAN plans backed by the Government for Siemens and AEG Telefunken to set up a joint subsidiary to build large computers have fallen through. An AEG statement said alternative plans were being prepared and sources claimed the company was involved in talks with Nixdorf. Page 20

● RATE OF WAGE INCREASES has slowed down this year despite present pay levels being over 13 per cent. higher than a year ago. But the unions are not expected to respond for several months to the CBI's prices policy. Page 6

● U.S. PAYMENTS DEFICIT reached record proportions in the second quarter, according to a World Financial Markets report out to-day. Page 5

£5 Paris tour plans

● SKYWAYS, with Paris Travel Service, is planning £5 three-day (two-night) holidays in Paris this winter. Page 17

● NEW DISCOUNT MARKET RULES include the requirement that companies invoved should keep at least 50 per cent. of their funds in public sector debt. Back Page

● FINANCE HOUSES are unlikely to repeat in HP terms the low deposits of the late 1950s, following the mini-Budget. Page 6

● FIRST NATIONAL FINANCE CORP. is to acquire Spey Finance, set up by Spey Investments only four months ago, in an £8.5m. cash and shares deal. Back Page

● YORK TRAILER interim goes up to 20 per cent. (15 per cent.) with half-year pre-tax profit up to £402,000 (£301,000).

Wilson acts to damp down Party row

BY JOHN BOURNE, LOBBY EDITOR

MR. HAROLD WILSON yesterday tried to quieten the Common Market storm which has threatened to engulf the Labour Party, partly about the speeches he himself made on Saturday and Tuesday. At the same time he sought to prove that the last Labour Government would not have accepted the terms on New Zealand negotiated by Mr. Geoffrey Rippon.

Labour MPs believed last night that he has probably taken the heat out of the party row—at least for the time being—but that he failed to attain his second objective.

The Labour Leader told the Commons at the opening of the four-day debate on the Government's EEC White Paper that in 1967 the Labour Cabinet decided that a transitional period for New Zealand would not be enough, "unless it was for a generation." The arrangements would have to be, if not permanent, at least equal in effect to a permanent change, he said.

"The facts"

Lord George-Brown had repeated these conditions in the capitals of Europe, said Mr. Wilson. In Luxembourg, indeed, the Labour Foreign Secretary had mentioned the possibility of a transitional period of more than 20 years. "These are the facts. This is what a Labour Government asked for."

Mr. Wilson was trying to end the argument in the Labour Party about the Labour Cabinet's precise position on the Common Market. A fortnight ago Lord George-Brown said that the terms negotiated by Mr. Rippon were not significantly different "from those which Harold Wilson and I thought we could achieve when we came back from our trip

Parliament Page 8
Australian denial Page 9

round Europe, and on the basis of which we reported to our colleagues in Government and persuaded them to agree with us that we should try."

Mr. Wilson's quotations from Cabinet papers yesterday were aimed at rebutting this statement. He said that no one in the Six during the Wilson-Brown 1967 tour of Europe raised objections to the British policy on New Zealand, as explained by Lord George-Brown, and this was one of the reasons why the Labour Cabinet agreed to apply for entry.

The controversy on this point will continue. Former Labour Ministers said last night that Mr. Wilson was talking only about the Labour Government's negotiating posture on New Zealand. This did not mean that the Government would have insisted on a 20-year transitional period. "When a trade union asks for a 20 per cent. rise, it does not necessarily expect to get one, and it may settle for 8 per cent.," said one Labour pro-Marketeer.

Chalfont's view

Earlier yesterday, Lord Chalfont, Labour Minister in charge of Common Market affairs in 1967-68, made his contribution to the argument. Like his successor Mr. George Thomson, and Mr. Michael Stewart, former Labour Foreign Secretary, he said he would have been happy to recommend Mr. Rippon's entry terms to a Labour Cabinet. "I would have been surprised if they had not accepted them."

Sir Roderick Barclay took a complimentary line about the written terms in a letter to The Times yesterday. Sir Roderick, who was a member of the delegation which negotiated with the Six in 1961-63, wrote that later as an Ambassador to Belgium he had been fully informed of the preliminary talks with the Governments of the Six which preceded and followed the Wilson-Brown tour of the European capitals.

"There was no reason to suppose in 1967 that negotiations then would have produced terms better than those which have now been produced. On the contrary, in some respects—for example, over New Zealand—the present terms are more favourable than we had any grounds to expect."

But the rest of Mr. Wilson's 60-minute speech—although unacceptable to the pro-Marketeers—was highly serious and reasonable in tone. After his previous speeches, both of which were vehemently anti-Market and also hostile towards individual pro-Marketeers in the Labour Party, the contrast of his performance yesterday was enormous.

Mr. Wilson deliberately went out of his way to offend as few pro-Marketeers as possible. The one exception is probably Lord George-Brown, but he counts for less than he used to in the party. Mr. Roy Jenkins was observed to murmur approvingly to his Leader at the end of his speech, and there is little doubt among Labour MPs that had Mr. Wilson adopted a similar judicious, temperate tone at the Labour conference last Saturday the troubles which have rended the Labour Party since then might not have occurred.

The Prime Minister, in opening yesterday's debate, also made an essentially low-key speech. He certainly did not

Continued on Back Page

BPC: Hardie resists a call for his resignation

BY KENNETH GOODING

ANGRY shareholders at yesterday's annual meeting of the British Printing Corporation called for the resignation of Sir Charles Hardie, the £12,000-a-year part-time chairman.

Sir Charles retorted: "I have no intention of running away from this problem and to resign would mean I was running away. I will not do that."

There was also shareholder opposition to the re-election of Mr. Michael Pickard as a director of BPC. Mr. Pickard was finance director of the group at the time when BPC linked with Mr. Robert Maxwell's Pergamon Press to set up International Learning Systems Corporation, the encyclopaedia concern.

Both Sir Charles and Mr. Pickard defended themselves against criticisms contained in last week's report on ILSC by Department of Trade and Industry inspectors.

Sir Chales recalled that BPC has instituted legal proceedings to have the report set aside and maintained: "They (the BPC directors) are quite unable to accept the accuracy of certain of the passages in the report. And they were given no fair opportunity to meet the criticisms made in the report."

Mr. Pickard replied to various points raised by the DTI investigation and commented: "The whole report appears heavily influenced by the benefit of hindsight."

However, both Sir Charles and Mr. Pickard admitted BPC made "a serious error of judgement" in going into partnership with Pergamon in ILSC. Sir Charles added: "Commercial decisions have to be made on the facts available at the time . . . at the time your Board made its decision, Pergamon was seriously regarded by a large section of investment analysts, stockbrokers, financial journalists and merchant bankers as a company of repute, as is evidenced by the support given to its various ventures at that time in other offers."

The question of Mr. Pickard's re-election came towards the end of a 2½-hour meeting and the outcome of a poll vote depended on

Mr. Michael Pickard

the attitude of the institutions who account for nearly 40 per cent. of the 28.8m. issued shares in BPC.

The BPC institutional committee—formed from members of the National Association of Pension Funds, the British Insurance Association's protection committee and the Association of Investment Trusts—which has been in constant touch with the BPC Board during the past year, had recommended members to abstain when Mr. Pickard's re-election came to the vote.

It was clear from the result of the poll—with fewer than 2m. votes cast—that the institutions followed this line and so withheld any judgment on the points raised by the DTI report. Mr. Pickard was re-elected by 1,423,975 votes to 415,260.

Before the voting Sir Charles maintained "the Board has complete confidence in Mr. Pickard," while managing director Mr. Peter Robinson described him as "a man of outstanding ability and absolute integrity."

Sir Charles pointed out, when giving details of BPC's progress so far this year, that is was not possible to say what was the true position of ILSC's stocks and debts. However, collection of debts and disposal of stocks was up to budget. Some £3.6m. of the ILSC debts had been collected in the last nine months and the overdraft reduced by £1.3m.

Although ILSC had not yet reached break-even point "it is moving towards that point.

"We are now treating ILSC as any other subsidiary and are not allowing ourselves to be obsessed by the past," added Sir Charles. "The affairs of this company are now under control."

Of BPC's paper and packaging interests, Sir Charles said these were expected to produce a "very good level of profits" for the current financial year although they got off to a poor start because of the low level of economic activity and the postal strike.

He revealed the printing interests produced £3m. profit last year and the packaging side £1m. profit.

In the current year BPC faces a further loss of "several hundreds of thousands" in the part-work division because it had to go ahead with the launch of the Cordon Bleu series in the U.S., where it had proved to be a failure.

Sir Charles stated BPC was operating well within its bank borrowing limits. Overdrafts at ILSC, as stated, had been reduced by £1.3m. to £7m. while the book division overdraft was still running at about £4m.

Mr. Pickard answers DTI criticisms, Page 21

Truman: Watney persists in buying

By Kenneth Gooding

WATNEY MANN was yesterday still refusing to accept defeat in the battle for brewers Truman Hanbury Buxton, whose Board's now backing the rival offer from Grand Metropolitan Hotels.

For Watney's brokers Cazenove and Co. were in the market yesterday snapping up the few Truman shares on offer. Watney director Mr. A. Seaward said last night: "We bought a few shares to take our holding in Truman to just above 25 per cent."

The group was also buying Truman shares on Tuesday—the day when the Truman Board put its weight behind the Grand Met. and turned down a possible higher offer from Watney. Some 71,100 Truman shares were bought at an average of 413½p.

Also on Tuesday Grand Met. added to its holding by purchasing 102,200 Truman at 414.54p each on average.

The Watney directors spent most of yesterday with financial advisers Guinness Mahon. They broke off talks at the end of normal office hours and will return to them this morning.

A spokesman at Guinness Mahon stated: "We are still considering the options open to us."

Meanwhile, the Watney shares were the centre of plenty of activity again yesterday, suggesting that they were under pressure once more. After ranging between 115p and 115½p the shares closed at 116p, down 1p on the day.

Grand Metropolitan shares also slipped slightly yesterday, by 1p to 192p, while those of Truman last night remained unchanged at 416p, compared with the value of 411p put on them by the Grand Metropolitan terms.

Still more are unemployed

BY PETER CARTWRIGHT

TO-DAY'S national unemployment figures for July are expected to show a marked increase. Advance warning of them—and of the Treasury's forecast of a further deterioration in the trend in subsequent months—was a key factor behind the Chancellor's mini-Budget on Monday.

The West Midlands figures—published separately yesterday—show that after a brief two-month period of improvement, unemployment is again on the increase, particularly among men.

Although the period just before the annual holidays is not normally a time for notifying new jobs, every district except Wolverhampton—with only five more jobs available—shows fewer vacancies, with a significantly bigger number of people chasing each vacant job.

There are many more redundancies in the pipeline. In June, 21 companies notified 1,050, and in the East Midlands area of Nottingham and Derby, 14 companies notified 900 redundancies.

Percentage rates of unemployment in the West Midlands, including those temporarily laid off, at the July count, were: Birmingham 4.2 (3.3 in June); Coventry 6.3 (5.3); Wolverhampton 4.6 (3.6); Walsall 3.8 (3.7); N. Staffs 3.3 (2.6).

After discounting increases in those temporarily laid off, the comparisons in wholly unemployed with last month are: Birmingham 22,090 (20,265); Coventry 8,477 (7,751); Wolverhampton 4,813 (4,463); N. Staffs 5,811 (5,180); Walsall 3,341 (3,067).

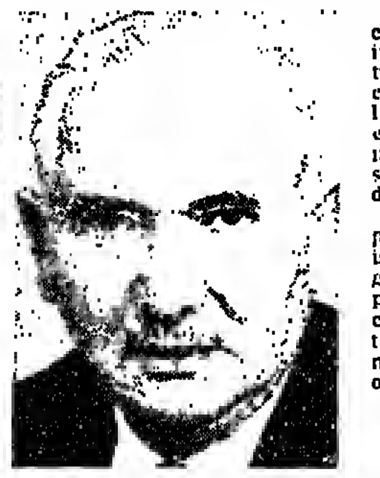
FORRESTER REJOINS BOARD

Cunard will reject offer by Trafalgar

BY SANDY McLACHLAN

THE CUNARD Board will reject the £26m.—200p a share—offer from Trafalgar House. There has still been no official statement to this effect, but Cunard made its position clear by inviting Mr. Donald Forrester to rejoin the Board. Mr. Forrester, who resigned from Cunard only last December on "policy differences," has been an outspoken critic of the Trafalgar offer.

While the Cunard Board is still not unanimous on accepting the logic of the Trafalgar offer it



Mr. Donald Forrester

seems clear that the whole Board, together with its advisers S. G. Warburg, have agreed that Trafalgar has not been pushed to the limit on price terms. The stock market concurred with this view, and Cunard shares rose a further 4p to close at 199p.

Good tactics

Bringing Mr. Forrester back into the fold is a good tactical stroke by Cunard. One of the few substantial shareholders left in the company, with around 3 per cent. of the equity. Mr. Forrester claims to have the support of a further 30 per cent. or so in the form of a large number of small shareholders.

Mr. Forrester said last night he was "flattered" at the invitation to rejoin Cunard, and had accepted. He said his acceptance had been conditional on certain stipulations being met, to which the Cunard Board had agreed. One of these was rejection of the current Trafalgar offer.

Asked whether he objected to the Trafalgar offer in principle as well as in price, Mr. Forrester said: "I have a very strong objection, but I would have to submerge this if an offer was fair and reasonable. I can afford to lose £4m. on Cunard, but I have to think of small shareholders' interests.

The reinstatement of Mr. Forrester introduces a new element into a delicately poised situation. It is clear that Trafalgar House, which tried valiantly to achieve an agreed bid, will go ahead anyway with its offer.

On the other hand, it is obvious that Warburgs has decided its best policy for the moment is to maintain a deafening silence, and leave all the running to Trafalgar. The former offer will not be posted until the week-end, leaving Cunard with time on its side.

However, Trafalgar and associates are still picking up shares in the market when the opportunity occurs. The Trafalgar camp already claims something like 33 or 34 per cent. of the equity, and it has been managing to buy shares at the rate of something short of 1 per cent. a day to strengthen its position.

If the issue boils down purely a question of price, then it is possible that Trafalgar will go higher. It is believed that in preparing its bid Trafalgar has chosen to work on the basis of the more conservative valuations of the Cunard fleet which ... obtained.

No alternative

But if Cunard decides to fight the whole way (which appears unlikely at least until Mr. Forrester's re-appointment) the Board it is not likely to shake Trafalgar off completely unless it can find an alternative suitor. The indications are that it has explored this possibility but has failed so far to come up with anything.

Certainly if Trafalgar was beaten in a straight fight it would not admit defeat. Yesterday Mr. Victor Mathews, the Trafalgar managing director, commented that in this eventuality Trafalgar would keep its shares and possibly request Board representation. Trafalgar's tenacity in these situations is indicated by its decision previously to retain its holding in Savoy Hotel.

Men and Matters Page 16

£400m. trunk road network urged for South

The Government must step up its road building programme in the South of England and complete a new trunk road network linking all parts of the region by 1980, the British Road Federation states in a report published to-day.

The report calls for a £400m. trunk road network in the South... New roads "are essential" to... ports of Bristol and Southampton...

CHIEF PRICE CHANGES

(Prices in pence unless otherwise indicated)

RISES

... Electronic	87	+ 7
...ntive Prods.	690	+ 40
...sh Linn	61	+ 13
...o Dean	85	+ 6
Cunard	200	+ 5
Granada A	398	+ 8
Haighton & Ehurst	17	+ 4
Heyser Ullmann	440	+ 25
London M'land Inds	80	+ 7
McKay Secs.	102	+ 10
Phoenix Timber	50	+ 21
Roberts (C.)	265	+ 9
Utd. Gas Inds.	64	+ 6
Wadkin	140	+ 15

FALLS:

Beecham	339	− 4
British Home Strs.	246	− 10
Costain (R.)	162	− 8
Currys	265	− 7
Distillers	158	− 5½
Drakes	163	− 9
EMI	131	− 9
Guest Keen	413	− 11
Lloyds Bolsa Int.	365	− 21
Midland Bank	530	− 18
Rank Org. A	843	− 27
Royal Ins.	395	− 9
Sheepbridge Eng.	89	− 6
Taylor Woodrow	306	− 11½
Trust Houses Forte	117	− 9
Tube Inv.	433	− 17
UDT	100	− 7
Wharf Hldgs.	227	− 13
Wimpey (G.)	162	− 8
Woodside Oil	44	− 8
CAST	220	− 27
Poseidon	950	− 75
Sabina Mines	260	− 15
Selcast Expl.	70	− 24
Selection Tst.	715	− 40
Tara Expl.	815	− 30

U.K. DAILY STOCK INDICES

F.T.-ACTUARIES

	July 21	July 20	Yr. ago
Industrial Group	165.76	167.82	—
500 Share	181.67	183.68	130.95
Div. yield pc	3.64	3.60	4.93
P/E Ratio	17.73	17.95	13.47
All Share	178.58	180.59	124.73
Consols yield pc	9.13	9.12	9.25

FINANCIAL TIMES

	July 21	July 20	Yr. ago
Govt. Secs.	74.97	74.83	69.60
Fixed Interest	74.54	74.53	71.13
Industrial Ord.	404.40	408.90	335.20
Gold Mines	53.20	53.30	49.90
Ord. Div. Yield	3.81	3.77	5.00
Earnings Yield	5.88	5.81	6.87
P/E Ratio	17.01	17.21	14.63
Dealings Marked	14,022	15,909	7,838

Industrial Ord. (noon) 402.6.

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ANNUAL STATEMENTS

INTERIM STATEMENTS

ON OTHER PAGES

EXHIBITIONS & CONFERENCES

To-day's issue contains two pages (24 and 25) on Conferences and Exhibitions, also one page (22) on Cow Green Reservoir.

THE £ ABROAD

—	Close July 21	Close Previous
New York Spot	$2.4192-4196	$2.4182-4186
Do. (1 month)	0.14-0.11 dis	0.09-0.06 dis
Do. (3 months)	0.40-0.37 dis	0.30-0.27 dis
Do. (12 months)	2.15-2.10 dis	2.08-2.03 dis

Computing policy · Seminars · Conferences

Sir,—The Government's moves establish a national comput- policy, reported by David hlock on July 20 page 12, lse issues wider than just the erests of one industry. Com- ting is endemic to every pect of life—economic, indus- al, social, defence. If we wish have any say in how our ciety develops, the least must have is a strong indi- nous computing capability. it there is evidence that our hnical skill is substantial, and should therefore be able to more than this and to have the aim of our national com- ting policy the creation of a jor industry with a large port surplus.

There are three points in the lustrial cycle where the vernment, both as a sponsor d as a buyer, can have a namic effect.

At the research and develop- nt phase, investment is purely culative and even if a pro- t is created, it still has a g way to go before it can be nched commercially.

When a product is established, Government as a buyer can ll the market. There is sub- ntial evidence that orders in phase should be left as far possible to competitive tender-

vital area

here remains one vital area between, where modest ernment funds can have an rmous impact. This is the se when a new product has n developed and is just ing onto the market. The mercial market, with risks problems of its own, may to see how the product pro- sses for a year or two, thus iding foreign competitors the time to produce an rnative. This is precisely re Britain has repeatedly d, and where the Govern- t could do most to help. The ernment has the resources ake a technical assessment by placing firm orders very could give the private pany a chance to establish product quickly and to fore- foreign competition.

orking on this phase of the strial cycle presents prob- to Whitehall. At present Department of Trade and stry concentrates on the R D phase, and the Civil Ser- Department on the placing rders for established pro- s. Procurement contracts d at sponsoring new pro- s fall between these two s. This has been clearly onetrated in the evidence to Sub-Committee A and ts most damaging effects on young and vulnerable soft- industry which all the pro- onals forecast will take over eadership of the whole computing industry within the decade.

A positive national computing policy which bridges this departmental gap could radically change our prospects and give the industry, both hardware and software, the opportunity to build a fair share of the world's computing systems. Without it, adding crutches to one firm such as ICL only serves to make it look lame when the real trouble lies elsewhere.

S. Gill.
Miles Roman.
35, New Cavendish Street, W.1.

Train track buckling

Sir,—I have followed with interest the letters published in your columns on the subject of rail buckling. This problem has haunted generations of railway engineers and yet, in theory at least, it would seem to be easily resolved.

Would it not be possible during the winter or when the rails are being renewed, to subject sections of the permanent way to a "rail warming" process?

This could be achieved by the application of a low flame or low electrical current thus expanding the rails to a calculated degree. The fishplate connections could then be made leaving the rails to contract according to the prevailing air temperature. The track would now be with expansion gaps which would take up the movement during excessively hot weather.

I realise that the workload by the implementing of such a programme could be demanding but better this than the tragedies we seem so often to read about.

A. Kemp.
36, Goywood Avenue, Cheshunt.

Standards of seminars

Sir,—In previous correspondence (July 8, 14, 19) some well merited criticism of the seminar round has been presented. There is, however, an important facet of this problem that is worth highlighting.

First, as has been suggested, one must separate the good from the bad, but then one must decide whether the aim is either, the acquisition of new skills or the stimulation of ideas in an already established professional area.

It is doubtful whether many one-two day seminars can be successful in the former case, as a build up of knowledge is necessary if superficiality is to be avoided. This is the field where the sharks have made their killings to the detriment of all.

The real pay off for the short seminar comes when an expert is accessible for "brain picking" to the maximum extent and benefit of the delegates. Of course, this has two implications: (1) The subject matter must be precisely allied to both the delegate's problems and his industry; and (2) that the communication (and selling!) of any relevant ideas is competently carried out by the delegate in his own company.

In normal circumstances, where 30 or so companies are represented by delegates of widely varying status, a short seminar is unlikely to provide an adequate solution.

A much more valuable benefit would be obtained by the company who confronts an expert by a group of managers with related responsibilities for a discussion on the company's own premises.

The subject matter would be orientated to the company's needs, ideas could be put through the mill of the assembled opinions, in the light of the specific problems causing concern at that moment. Company security considerations prevent this kind of intimate discussion in more open forum. For too long we have tended to take the mountain to Mahomet, merely because it is easier, to the detriment of management standards in general and the counselling profession in particular. It is high time more company managements took this step to ensure that they get value for money and the advisers work for theirs.

Of those that use this in-house approach the tempo of improvement is quickened, and results become more readily apparent, while among the experts, it surely separates the men from the boys.

J. W. Fletcher,
Director, A.M.T.A.,
30, City Road, E.C.1.

A check on qualifications

Sir,—My colleagues and I have a foot in both camps in the seminar battle.

We cannot but agree with Mr. Murray (July 19) that in the last five years British industry has been deluged with cheapjack seminars promoted by mushroom companies to coin a quick buck. We have, ourselves, attended several of these seminars and, almost invariably, have left—disgusted—before the end of the day. Regrettably enough, incidentally, the same thing has happened on many occasions at seminars run by institutions of high public repute.

Could I suggest that anyone attending seminars should check: (a) on the qualifications of the speakers; and (b) on the background and repute of the partners or directors of the promoting company?

I think it might be of interest that when recruiting a number of directors, eminent in various fields, to our associate seminar running company, Management Horizons, item 1 of our statement of their duties ran as follows: "To satisfy himself that our claims to present seminars of the highest possible standard are well justified—since his name will be associated with them." I do not believe that any really reputable Board could be assembled unless some such arrangement was arrived at between the directors.

Anthony Mead,
Chairman, OTMA,
6, Carlos Place, W.1.

Conferences in London

Sir,—Arthur Sandles' article, "Conferences — the pressure rises" (July 15), has served to highlight again the inadequacies of London as a conference venue. There can be no doubt that in terms of the scale and quality of the conference facilities our capital is able to provide to increasingly sophisticated international conference organisers, London is in danger of becoming a poor relation of the international circuit. Other countries—one need look no further than Germany, Holland and Spain—equally aware of the lucrative benefits of the international conference trade have or are constructing purpose-built centres with which facilities in London inevitably compare unfavourably.

London waits in vain for a conference centre which will enable it to exploit the undoubted appeal the U.K. capital has to overseas conference organisers. While London is currently still one of the prime venues in the international conference league, how long it can retain this position in an increasingly competitive environment must be open to serious doubt unless the standard of the facilities we offer can be improved. Research has already revealed a significant number of conference organisers who have regretfully abandoned plans to stage their events in London either because facilities are inadequate or better facilities are available elsewhere.

The publicity afforded the mammoth conference of the American Bar Association has, however, tended to obscure two important factors relating to the expanding conference business. These may be summarised as follows:

(a) The number of giant conferences of the American Bar Association type are in fact comparatively few even on the international circuit. The "bread and butter" size of the international conference is closer to *300-400* delegates and there are many which are smaller than this. While the large size conferences are highly lucrative, owners of facilities will need to seek the bulk of their business from a high number of smaller events. Facilities must be flexible enough to forestall the danger of constructing a "white elephant" used for only a few days in the year.

(b) Notwithstanding the international conference market is a lucrative source of foreign exchange for the country and of business for hoteliers, restaurateurs, shopkeepers and others, the purely domestic demand provides the bulk of the demand in the U.K. and will continue to do so however well we may do in the international market. Research recently undertaken by my company for Trust Houses Forte and the British Tourist Authority revealed that more than 5,000 conferences a year are held by U.K. associations and groups alone—and this excludes some 7,000 activities such as training courses, seminars and committee meetings which also make use of conference-type facilities in hotels and other establishments. Additionally there can be added the vast number of conferences held by private companies. These place the few hundred international conferences held annually in this country in their proper perspective.

While it is of considerable importance to retain and to extend the fast growing and profitable international conference market, planners must not ignore the requirements of a much larger demand generated by domestic users. There is clearly evidence to show that this business is not invulnerable to the attractions of foreign locations.

Bryan Atkin,
Head of Travel Research Unit,
Industrial Market Research.
17, Buckingham Gate, S.W.1.

Unit trust and National Savings bureaucracy

Sir,—I read the letter of your correspondent F. P. Thompson with interest and fellow-feeling.

My brother recently died. His estate was a small one, and I decided, on behalf of my mother, to do the necessary paperwork myself, and, to save her expense, not to take out letters of administration.

Among the assets were three unit trust holdings, worth something less than £200. For convenience these are to be transferred to my name.

All unit trust managements demanded a statutory declaration signed by mother; all demanded to see a copy of the certificate of death. One also wanted a letter from the Estate Duty Office stating that no estate duty was payable; although by looking at the statutory declaration it could be seen that the amount involved was small: that duty was obviously not payable. Another declared that as the amount of the estate exceeded what they apparently considered to be a sufficiently small amount, they would require letters of administration. This was after they had agreed to effect the transfer on production of a statutory declaration and despite the fact that they had been told the total value of the estate before they asked for this instrument. When I wrote to them pointing out that the current value of the units was about £35 and that there had been a depreciation of 30 per cent. nominal and 50 per cent. in real terms in their capital value since purchase, several years ago, and informing them that I proposed to take up the matter with various authorities and the Press, within three days I received a letter agreeing to effect the transfer. Previous correspondence had been answered at intervals of two or three weeks.

It seems to me that the administration of some unit trust organisations is top-heavy and grossly inefficient. I am aware that legal requirements necessitate a certain amount of documentation, but I think that over 50 letters and pieces of paper, which appear likely to be the final total before the third transfer is completed, in respect of something worth less than £200 is ridiculous.

I am having a similar difficulty with War Loan. Before effecting the transfer to my name the Bank of England advised me first to have it transferred to the National Savings Register. The current value is about £65. I agreed, after providing them with the usual paraphernalia of information and documents. There was a dead silence for a month. Having previously arranged for my solicitor to come and witness the various other declarations, my mother being unable to visit him, before transferring to me, the National Bonds Office at Lytham is asking for a statutory declaration, which would mean another visit. I have written asking why a plain statement, such as is required by the National Savings Bank, the signature being duly witnessed, does not suffice.

This insistence on a solicitor, a JP, or a Commissioner for Oaths witnessing such signatures, apart from causing inconvenience to those concerned with small estates, to say nothing of expense which may be involved, does nothing to prevent the rogue from carrying out fraud. A forged signature will not prevent him from carrying out his nefarious activities. Much of this is bureaucratic nonsense.

The National Savings Movement apparently does not know that its right hand—the NSB—apparently reacts differently from its left—the NBO. Why I can obtain £200 or £300 from the former by completing and having witnessed a simple form, and cannot obtain a transfer of an item worth £65 only through the latter, without a statutory declaration is beyond me.

W. F. Richardson.
34, Queen's Drive, Fulwood, Preston.

Advertising products

Sir,—Regarding the report in the Financial Times of July 19, Page 23, on the Duke of Edinburgh's comments in the magazine Industrial Management that cars are probably Britain's biggest single exporting advertising product, may I suggest that he has got the projection the wrong way round, that is, it is high-quality used-in-the-home British products that probably help to sell cars abroad *rather* than the reverse?

Companies such as ourselves who have exported, for example, to the U.S. for over 100 years and who have built up a quality reputation there and world wide, have possibly influenced the buying of British cars abroad for the reasons the Duke states, and I am quite sure our exports have not been influenced by British car sales abroad.

I will go further and state that the impression I have obtained abroad of the lack of spares plus servicing facilities for British cars and their specifications, could be an adverse influence on the de[…] to buy other British produ[…]

The length of time we [have] been exporting and the fact numerically we export [more] brushes than the car ind[ustry] exports cars, indicates it is [more] likely the quality reputatio[n of] companies such as ourselves [sel]ling used-in-the-home prod[ucts] help to sell British cars.

Eric L. H. Cosby,
Chairman & Managing Dire[ctor],
G. B. Kent & Sons.
24, Old Bond Street, W.1.

Malta's demands

Sir,—Imagine that you ov[…] small island where you liv[e] a simple but happy state [of] existence. Along comes a ne[igh]bour and suggests that he w[ould] like to use your home in o[rder] to improve his defences ag[ainst] any possible attack from [his] enemies. He is willing to [pay] you the sum of £15.4[0 per] annum and, of course, [you] realise that in the event [of] enemies attacking him yo[u are] more than likely to suffer i[n] yourself.

Are you going to consider £15.40 is sufficient to take [the] risk, or are you going to [ask] him for, say, £40.00 per ann[um]?

Of course, the whole ques[tion] is ludicrous—you would not [do] it for £15.40 nor would you [do] it for £40.00, and yet the £40.00 per head of pop[ula]tion is all that Dom Min[toff,] Prime Minister of Malta, is [ask]ing for, and it does not se[em] to me to be an unreasona[ble] amount when the people [of] Malta are once again sett[ing] themselves up as a possible [tar]get and, remember, they h[ave] had experience of this in [the] past and what it means in te[rms] of suffering and hardship.

You may well say that Brit[ain] no longer requires Malta as [a] military, naval and air fo[rce] base, but would not Ma[lta's] chances of tourism be [im]proved were all these […] to be withdrawn? If Malta [is] no longer a fortification, [would] it not be possible to repla[ce the] £13m annually, requested [of] the British Government, [by] tourist income without [the] dangers attached to alignm[ent] with a military power?

Incidentally, I may add [that] being extremely familiar w[ith] the Maltese situation the m[ost] accurate and unbiased reports [on] the situation have appeared [in] the Financial Times, and wh[en] one reads reports in other new[s]papers it is difficult to belie[ve] that they are talking about th[e] same situation.

Gordon L. McNally,
Managing Director,
Exchange Travel (Holdings),
10, Eastcheap, E.C.3.

ART GALLERIES

[A]D ARCHER AND DELBANCO, 19, [Cork] Street, W.1. BRITISH PAINTINGS [AND] DRAWINGS. Daily 10-5.30. Sats. [10-1].00.

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[...]Y CAZALET, 24, Davies Str. W.1. [...] 5058. Original prints by [...]rlich, Miro, Pasmore, etc.

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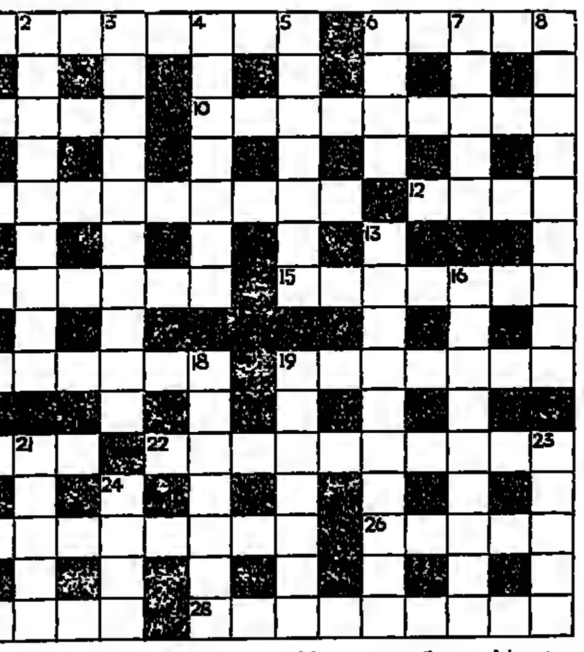
MARJORIE PARR GALLERY, 285, King's Road, Chelsea, S.W.3. CHELSEA IN THE 19TH CENTURY. From July 9th. Open All Day Saturday.

EXHIBITIONS

BRIGHTON ANTIQUES FAIR. Last 3 days. Daily 11 a.m.-8p.m Everything for sale.

F.T. CROSSWORD PUZZLE NO. 1,625



ACROSS

[…]prise a catalogue for him

[…]bing with a cuff (5)
[…]ge bird on the course (5)
[…]ave the military career—[…] joining something else?

[…]le at roof and rearrange […] horses (4, 2, 4)
[…] organisation reaches it

[…]rse veers to the right for […] scraper (7)
[…] were found in growth […]
[…]ished the French inside […]ing 14? (7)
[…]ude the tin can, love (7)
[…]ent of adhesive material

[…]r shows hesitation when […]d with his share, or is it […] to a wandering of the […]l? (10)
[…]m big or in a tangle (9)
[…] forth without price (5)
[…]w the Welsh town (5)
[…] of underworld brings […]r to turn back the wise […] who obviously thinks […]rently (9)

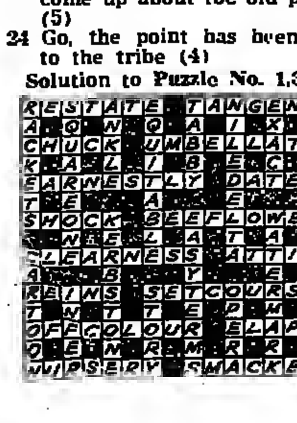
DOWN

[…] ships are fast (5)
[…] mother up with a part, […] if it is long and rambling

[…] drag next to further my […]d interest (3, 2, 5)
[…]ut right under the furni[ture] […] to this extent (7)

5 Lit up over Lancashire town? No, on the Thames (7)
6 Shipmates bragged (4)
7 Hunter or particle (5)
8 Sounds like drunken rule necessitating such discipline (5, 4)
13 The girl follows her victory in song to move away happily (5, 5)
14 The church is in session—considering withdrawal? (9)
16 A main tree I revive (9)
18 It is bad to be brought up having extorted, although in a trifling way (7)
19 Inquisitive concerning the dog's debts (7)
21 Crossing where humans are legally superior to machines (5)
23 Of necessity observed to have come up about the old penny (5)
24 Go, the point has been lost to the tribe (4)

Solution to Puzzle No. 1,324



TV/Radio

* Indicates programme in black and white.

BBC 1

11.25 a.m. *First Test Match—England v India.* *1.30 p.m. Watch With Mother. 1.45 News. *1.53 Hobla: People and their hobbies. 3.00 Cricket: Test Match. 4.15 Interval. 4.20 Play School. 4.40 Jackanory. 4.55 Wacky Races. 5.15 Show Jumping from The Royal International Horse Show. 5.44 Abbott and Costello.
5.50 News.
6.00 Nationwide.
6.20 Dog Watch, Part 3.
6.45 He Who Dares, Part 3.
7.15 Top of the Pops.
7.50 All In The Family.
8.15 The Hippodrome Circus Great Yarmouth.
9.00 Nine O'clock News.
9.20 The First Churchills, Part 3.
10.05 Show Jumping from The Royal International Horse Show.
10.45 24 Hours.
*11.30 Stress.

All Regions as BBC 1 except at the following times:—

Wales—*6.00-6.15 p.m. Wales To-day. *6.15-6.55 Rugby Union: British Isles v Hawkes Bay. *6.55-7.15 Heddiw. 8.15-8.30 Tom and Jerry. *8.30-9.00 Maes A Mor.

Scotland—*6.00-6.20 p.m. Reporting Scotland. *11.57 Scottish News Headlines.

Northern Ireland—*6.00-6.20 p.m. Scene Around Six. *11.57 Northern Ireland News Headlines.

England—*6.00-6.20 p.m. Look North (from Leeds, Manchester, Newcastle): Midlands To-day (from Birmingham): Look East (from Norwich): Points West (from Bristol): South To-day (from Southampton): Spotlight South-West (from Plymouth). *11.57 Regional News Headlines.

BBC 2

11.00 a.m. Play School.
4.30 p.m. Cricket: First Test Match—England v India.
*7.05 Open University: Mathematics 23.
7.30 News.
8.00 Television Doctor: If you take a risk . . . VD.
8.15 The Money Programme.
9.00 Gardeners' World.
9.20 Show of the Week: The Arte Johnson Show.
10.05 News on 2.
10.10 World Cinema: "Le Voleur," starring Jean-Paul Belmondo with Genevieve Bujold.

LONDON

1.45 p.m. Racing from Sandown Park. 3.40 Origami. 3.55 Tea Break. *4.25 Peyton Place. 4.55 Woobinda—Animal Doctor. 5.20 How.
5.50 News from ITN.
6.00 Smith.
6.30 Crossroads.
*6.55 It's Tarbuck.
*7.25 Thursday Film: "Dry Rot," starring Ronald Shiner, Brian Rix, Peggy Mount and Sidney James.
9.00 Alexander the Greatest.
9.30 This Week.
10.00 News at Ten.
10.30 Cinema.
11.00 The Callan Saga.
12.00 What The Papers Say.
12.15 a.m. 100 Years of Infallibility: Hugh Kay talks to Professor Kung about the doctrine of papal infallibility.

All ITV Regions as London except at the following times:—

ANGLIA

2.15 p.m. Racing from Sandown Park. *4.30 Anglia Newsroom. 4.35 Mel-O-Toons. 4.50 Captain Scarlet. 6.00 About Anglia. 6.20 Arena. 7.00 Survival. *7.30 Thursday Film: "The Betrayal" starring Philip Friend and Diana Decker. 11.00 Strange Report. 11.55 At the End of the Day.

ATV MIDLANDS

3.35 p.m. To-morrow's Horoscope. 3.40 Women To-day. 4.10 Peyton Place. 4.40 The Magic Ball. 4.55 Skippy. 6.00 ATV To-day. 7.00 Thursday Movie: "Gidget Goes Hawaiian" starring James Darren and Michael Callan. 8.50 (approx.) Popeye. 11.00 All Our Yesterdays. *11.30 The Communicators.

BORDER

4.20 p.m. Border News Headlines. 4.22 Houseparty. 4.35 Stories of Tuktu. 4.55 Adventures in Rainbow Country. 6.00 Border News and Lookaround. 7.00 Feature Film: "He Ran All the Way" starring John Garfield and Shelley Winters. 8.30 The Comedians. 11.00 The Avengers. 12.00 Border News Summary.

CHANNEL

4.00 p.m. Origami. 4.10 Puffin's Birthday Greetings. 4.20 Survival. 4.50 Joe 90. 6.00 Channel News. 6.10 Farming News. 6.15 Mad Movies. 7.00 Thursday Film: "Let's Dance." 11.03 Seaway. 11.55 News and Weather in French.

GRAMPIAN

3.34 p.m. Grampian News Headlines. 3.37 Katie Stewart Cooks. 4.25 Moment of Truth. 4.50 Rumblie Jumblie. 6.00 Grampian News. 6.10 Come Ashore. 7.00 Thursday Film: "So Little Time." starring Maria Schell, Marius Goring and Barbara Mullen. 8.30 Half-Hour Plays. 11.00 Journey to the Unknown. 11.55 Evening Prayers.

GRANADA

4.05 p.m. News followed by *Peyton Place. 4.40 Origami. 6.00 Newsday. *6.25 "Carry On Regardless," starring Sidney James, Kenneth Connor, Kenneth Williams and Charles Hawtrey. 8.05 Theatre of Suspense. 11.00 What the Papers Say. *11.20 Tension.

HTV

2.15 p.m. Racing from Sandown Park. 3.45 Interlude. 4.09 To-morrow's Horoscope. *4.14 Moment of Truth. 4.40 Tinkertainment. 4.50 Pippi Longstocking. 6.01 Report West. 6.18 Report Wales. *7.00 It's Tarbuck. *7.30 Mid-Week Movie: "Hot Spell," starring Anthony Quinn. 10.30 Point of Dissent. *11.30 Marcus Welby M.D.

SCOTTISH

4.15 p.m. Paulus. 4.30 Crossroads. 4.55 Sky Hawks. 6.00 Scottish News. *6.10 Mad Movies. 6.35 High Living. 7.05 Thursday Feature: "Knock on Wood," starring Danny Kaye and Mai Zetterling. 11.00 Talking Heads. 11.30 Late Call. 11.37 Seaway.

SOUTHERN

3.35 p.m. To-morrow's Horoscope. 3.40 Women To-day. 4.10 Houseparty. 4.23 Mr. Piper. 4.30 Crossroads. 4.55 Lone Ranger. 6.00 Day by Day. 6.35 Alexander the Greatest. 7.05 McQueen. 7.35 The Saint. 8.35 Theatre of Stars. 11.00 Southern News Extra. 11.10 The Bold Ones.

TYNE TEES

*1.40 p.m. People Work Here. 2.00 Racing from Sandown Park. 3.45 Interval. 4.10 North-East Newsroom. 4.15 Short Story. *4.40 Origami. *4.55 The Forest Rangers. 6.00 To-day at Six. 6.25 Police Call. 6.30 Nanny and the Professor. *7.00 Thursday Film: "Sabrina Fair," starring Humphrey Bogart and Audrey Hepburn. 10.30 Sportstime. *11.00 Court Martial. 12.00 Late News Extra. 12.15 a.m. Revolving Chair.

ULSTER

2.20 p.m. Racing from Sandown Park. 4.20 Interval. *4.30 Romper Room. *4.50 Ulster News Headlines. *4.55 H. R. Pufnstuf. *6.00 UTV News. *6.10 Nanny and the Professor. *7.00 Sounds Like McEvoy. *7.30 Feature Film: "My Favourite Spy," starring Bob Hope, Hedy Lamarr and Francis L. Sullivan. 11.00 The Name Of The Game.

WESTWARD

3.58 p.m. Westward News Headlines. 4.00 Origami. 4.10 The Gus Honeybun Show. 4.20 Survival. 4.50 Joe 90. *6.00 Westward Diary. 7.00 Thursday Film: "Let's Dance," starring Fred Astaire and Betty Hutton. 10.59 Westward Late News. *11.03 Seaway. 11.55 Faith For Life.

YORKSHIRE

*1.40 p.m. People Work Here. 3.45 Yoga for Health. 4.10 Calendar News. *4.15 Matinee. 4.40 Origami. 4.55 Bush Boy. 6.00 Calendar. *6.30 F Troop. *7.00 Thursday's Action Film: "Attack!" starring Jack Palance, Eddie Albert and Lee Marvin. 11.00 Portugal—Dream of Empire.

RADIO 1 — 247m

Time checks, up-to-the-minute traffic reports, and news summaries at 5.30 a.m., 6.00, 6.30, then every hour on the half-hour until 2.30 p.m., 3.00, 3.30, 4.00, 4.30, 5.30, 6.30, 7.00, 8.00, 10.00, 11.00, 12 midnight, 1.00 a.m., 2.00. Weather at 5.32 a.m., 6.02, 6.32, 7.32, 8.32, 5.32 p.m., 6.32, 7.02, 2.02 a.m.

5.30 a.m. As Radio 2. 7.00 Tony Blackburn. 9.00 Johnnie Walker. 10.00 Jimmy Young. 12.00 Radio 1 Club. 2.00 p.m. Tony Brandon. 3.02 Ed Stewart. 5.00 What's New. 6.00 Sounds of the 70s. 7.03 p.m. until 2.02 a.m. Radio 1 joins Radio 2.

RADIO 2 — 1,500m; VHF

News summaries at 5.30 a.m., 6.00, 6.30 (VHF and 247m.), 7.00, 7.30, 8.00, then every hour on the hour until 3.00 p.m., 3.30, 4.00, 4.30, 5.00, 5.30, 6.00, 6.30, 7.00, 8.00, 10.00, 11.00, 12 midnight, 1.00 a.m., 2.00. Weather at 5.32 a.m., 6.02, 6.32, 7.02, 7.32, 8.02, 9.02, 5.32 p.m., 6.32, 7.02, 2.02 a.m.

5.30 a.m. News. 5.32 Breakfast Special. 6.27 Racing Bulletin. 8.55 Pause for Thought. 9.02 Pete Murray's Open House. 11.02 Morning Story. 11.15 Waggoners' Walk. 11.30 As You Were. 12.02 p.m. Sam Costa. 1.58 Sports Desk. 2.02 Women's Hour. 3.02 Ed Stewart. 4.15 Waggoners' Walk. 4.31 Sports Desk. 4.40 Charlie Chester and Girl Talk. 6.02 Album Time. 6.45 Sports Desk. 7.03 Alan Dell's Big Band Sound. 8.02 Sports Desk. 8.02 Andrew Faulds says Be My Guest. 8.30 The Organist Entertains. 9.00 Eric Robinson's Music Club. 10.02 Late Night Extra. 12.00 Midnight Newsroom. 12.05 a.m. Night Ride. 2.00 News.

RADIO 3 — 194m, 464m; VHF

7.00 a.m. News. 7.05 Morning Concert: Haydn, Mozart, Weber, Mendelssohn, gramophone records. 9.00 News. 9.00 This Week's Composers: Balakirev and Mussorgsky on gramophone records. 9.50 BBC Piano Competition: Chopin, Bartok. 10.20 Polish Orchestral Music: Moniuszko, Chopin, Panufnik, gramophone records. 11.15 Test Match Special: England v India. 11.15-1.35 commentary; 1.35-1.40 News; 1.50-1.55 scoreboard; 2.10-4.20, 4.30-6.30 commentaries; 6.30-6.37 (medium wave only) close-of-play summary. 6.37 (medium wave only) Stock Market Report. 6.00 p.m. Study on 3: Quieter Living: part 6 (medium wave only). 6.30-7.10 VHF Open University. Science 22. 7.10 Regency People: part 4: Lord Selkirk. 7.00 Berlioz concert. 9.00 Bach's Adapted Masses: Mass in A on gramophone records. 9.30 Conversations with Philosophers. 10.35 Mozart and Beethoven. 11.30 News Summary.

RADIO 4 — 330m; VHF

6.25 a.m. News Summary. 6.27 Farming To-day. 6.45 Prayer for the Day. 6.50 Regional news, weather and preview. 7.00 To-day: Magazine The News. 7.00 To-day's Papers. 7.45 Thought for the Day. 7.50 Regional news, weather and preview. 8.00 News and more of To-day. 8.40 To-day's Papers. 8.45 Yesterday in Parliament. 9.00 News. 9.05 If You Think You've Got Problems . . . 9.45 Sound Natural: discussion on wildlife. 10.15 Daily Service. 10.30 Music Hour. 11.30 Killer in Dark Glasses. 11.55 Service of Thanksgiving in Westminster Abbey for the Life and Work of John Charles Walsham Reith, 1889-1971. 12.45 Interlude. 12.55 Weather, preview and news. 1.00 The World at One. 1.30 The Archers. 1.45 Listen With Mother. 2.00 Steve Race's Invitation to Music. 3.00 Afternoon Theatre. 3.45 A Choice of Paperbacks. 4.30 Story Time. 5.00 PM: News magazine. 5.50 Regional News weather and preview. 6.00 Six O'clock News. 6.15 Brothers in Law. 6.45 The Archers. 7.00 News Desk. 7.30 Does the Team Think? 8.00 Everything You need to know about the Permissive Society: discussion. 9.30 New Worlds. 9.59 Weather. 10.00 The World To-night. 10.45 To-day in Parliament. 11.00 A Book at Bedtime. 11.15 Late News. 11.31 Market Trends.

Racing

To-day's Events Page 29

Poor sport feared

by DARE WIGAN

WITH ASCOT to-morrow and on Saturday, followed by five consecutive days at Goodwood next week, it is not surprising that this afternoon's programme at Sandown has failed to attract many good horses. And, as is usual in such circumstances, winners look hard to come by. However, *Biskrah*, who ran *Golden Love* to a length over two miles at the last meeting here, when receiving only seven lbs from Van Cotsem's good stayer, may increase Major Hern's output of winners by taking the Foxwarren Handicap (3.05). *Orosio* is the obvious danger.

Unless there is a smart newcomer in the field (and *Beck*, a grey filly by *St. Paddy* out of the Abernant mare, *Seph*, may well be within that category), *Heavenly Music* ought to win the Raynes Park two-year-old Fillies' Stakes (3.35), for she ran well at the first time of asking at Newbury on July 10. *Polladium*, who defeated *National Park* over seven furlongs that day at Newbury, carries an 8 lb penalty as a result of that success, but even so appears to be reasonably treated with 7 stone 11 lbs, and I doubt the ability of *Comedy Star* to concede him 26 lbs in the Bow Street Handicap (4.10). However, whether he does so or not is likely to be immaterial, for *Jungle Boy*, who missed a race at Yarmouth yesterday in order to run here, is a confident selection to beat them both.

The decision by Lester Piggott to ride *Lochwinnoch*, an unraced colt trained by John Winter, in the Heathrow Maiden Plate (4.45) looks significant, but on known form the probable winner is *Nantar*, runner-up three times in succession—to *Sasha*, at Epsom, to *Watermelon*, at Newmarket, and to *Executive* at Newbury.

George Todd won the Petticoat Lane selling handicap (2.00) last year with *Zeno*, and with D. Gibson claiming seven lbs, *Zeno* will have only one pound more to carry to-day. However, I doubt his beating the Epsom trained *Nicodemus*, winner of a similar type of event at Haydock on July 2. *Russian Dandy*, reported to have been moving well at Newmarket, is a suggestion for the Aylesbury Plate (2.30).

J. Mercer, who has ridden [...] winners at Bath since March 1966—more than twice the number recorded by any other jockey—commands a large following on the Somersetshire course, and he looks like adding to his score there this afternoon. For example, I expect him to land the County Stakes (2.30) on Mr. Michael Sobell's *Delphinus*, an easy winner at Wolverhampton the other day; and there is a possibility that he will take the Milbourne Maiden Plate (4.30) on Mrs. Sobell's *Red Skies*, a colt by *Skymaster*, whom I remember running fast behind *Sofonisba* at Newbury in the spring. "Scobie" Breasley, who used to ride this awkward track to perfection, may land a double with *Bevin Boy* in the Kelston Handicap (3.00) and with *Pearl River* in the Westmorland Handicap (4.00), both of them ridden by that strong, lightweight jockey T. Carter.

Benson and Hedges is to make a substantial increase in its sponsorship of racing at Sandown. At the October meeting the company will provide £8,000 added money for a new two-year-old race, "The Benson and Hedges Nursery Handicap." It will be a five-furlong affair. Lowest weight: 7 st. 7 lb. Highest: 9 st. 7 lb. At Sandown's December NH meeting, added money for the "Benson and Hedges Day" on Saturday, December 4, will be increased to £12,500.

SANDOWN
2.00—Nicodemus
2.30—Russian Dandy
3.05—Biskrah
3.35—Heavenly Music
4.10—Jungle Boy***
4.45—Nantar

BATH
2.30—Delphinus
3.00—Bevin Boy
4.00—Pearl River
4.30—Red Skies

CATTERICK
4.00—Poyntun**
5.00—Landseer

LANARK
3.00—Dancing Cap*
3.30—Lyrelin

هكذا من الأصل

Tyger by B. A. YOUNG

National Theatre has ...ed a formidable battery ...ir musical about William ...-two of their best direc- ...Michael Blakemore and ...Dexter; two designers, ...Herbert and William ...; a cast of over 40, and ...ht-piece band in the pit. ...who has apparently ...one of the heroes of ...ung generation, provides ...f the lyrics and some of ...alogue; the rest is by Mitchell.

Mitchell calls his composi- ..."celebration" of Blake: ...Blake could paint the ...al form of Nelson with ...re than a spiritual like- ...o its original, there's no ...why Mr. Mitchell ...n't display the spiritual ...f Blake without too much ...n for history. What he ...ne, in fact, is to concertina ...t two centuries of history, ...he foundation of the Royal ...my to our own time, so ...haracters from any period ...appear at any time; or

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several periods together. ...age is given the same ...treatment; verbatim ...ions from 18th- and 19th- ...y sources clash, sometimes ...effectively, with the ...c speech of the present ...ostly as manipulated by ...itchell in his free-flowing ...

...core of the libretto is a ...of well-known stories ...Blake. We see, suitably ...gured into musical ...es, his disapproval of ...lds, his naive attempt to ...uce a whore into the ...l home, his trial for ...l sedition, and so on. We ...him at work on his engrav- ...in a portable representa- ...f his little workroom that ...n and off the stage on a ..., chatting with Fusell and ...r, quarrelling with the ...lahment; sometimes in ...es of near-biography, ...mea in imaginative ...ters illustrative of ...rather than fact. Music ...lly spread about.

...out of it, Blake, given a ...likeable performance by ...James in a lifelike make- ...merges as a surprisingly ...figure. The things he is ...to stand for correspond ...closely to the concerns of ...inking part of our younger ...s, or at least those of ...who stand on the Left. ...government, royalty, sexual ...ssion, the Royal Academy, ...all come in for a bashing. ...at the end, in a finely ...ng scene, Blake directs the ...ing of Jerusalem on the ..., whither he has been ...alched in a rocket by the ...King George.

Unfortunately the production has been saddled with a second-class libretto and rather dull music. Far too often, it seems to me, Mr. Mitchell has jumped at the first idea that came to him. There is no subtlety in the way in which themes have been transformed into action. The soldier (Dennis Quilley) that gives the evidence *against* Blake is put up to do so by a property stage civil servant (Anthony Nicholls) who gets his information from a comic computer with a man inside it. The intrusive whore is a song-and-dance trio of floozies. Sir Joshua Reynolds and his colleagues are a revue skit on the *Arts Council*, complete with a resident Lord Goodman and jokes about Basker Brothers and Lord Clark (who is rather unfashionably addressed as Sir Kenneth).

The thing is redolent of pop-culture, Oz-culture, *Private Eye*-culture. This hardly seems to me good enough for Blake. It's no good just labelling a character William Blake and equipping him with some ideas and some words belonging to the poet. I had hoped for something that would give me the feeling of exultation that I can get from reading Blake's poems and considering his thoughts, not a Saturday-night satire show on the telly, or a demo by excited *students*.

I'm uncomfortably aware that in saying *this I* am showing myself adrift from current standards. Subtlety is out, *immediacy is* the thing, all must be comprehensible to the half-educated *without difficulty*. You see it most of all in the popular *music of our time*, hopelessly oldfashioned and naive even by the standards of Debussy or Strauss, utterly without originality, so that the critics who write about it mostly content themselves by reciting the names of the participants. I am told that Mike Westbrook, who composed and arranged the music for *Tyger* and directs it from the pit, is generally regarded as subtle, but what he has produced for this production is stodgy and unmemorable, not within a league of suiting Blake's magnificent cadences.

Well, the two directors have worked marvels at keeping the show alive. An item where Blake is visited by great poets from Chaucer to Allen Ginsberg, that seemed in the first minute to set a standard that would get it hooted off a pierhead, came marvellously to life with imaginative movement and business, though it had precious little to do with a "celebration" of Blake as far as I could see. (I am open to correction; as usual, the music was amplified to the point where half the words were inaudible.)

A handful of performances stay in the mind—*John Moffatt as Sir* Joshua, Jane Wenham as the docile Kate Blake, *Bill Fraser* as the mad king, Norman Beaton, unexpectedly, as Lord Byron. But they are all simple, depthless caricature figures, in a simple, depthless, disappointing show.

...gel Patrick and Margaret Leighton in last night's revival of Robert E. Sherwood's comedy "Reunion in Vienna" at Chichester

...dler's Wells Theatre

The Magic Flute

...n Copley's production of ...Magic Flute for the London ...Centre is everything a ...ent production should be. ...actively set in simple ...tian sandstone, it combines ...acter and economy, has wit ...out camp, vitality without ...and while settling for a ...interpretation of Sarastro's ...sophical, manages to give ...serious moments a sense of ...ound dignity. Lighting, ...ement and dialogue are all ...llently prepared. The result ...that these student singers ...n confidently at ease, and the ...sional aria that may be less ...adequately sung is com- ...ably masked by the overall ...of the presentation. ...speaking it is a revival, ...rst staged in 1967; ...s have changed ...s freshness has ...of something new. ...as led by a remark- ...in Helen Grant as ...ss Grant has both ...control on her side. ..."Ach, ich fühl's" the ...climax of the evening. ...place high notes clean, ...the width of tone ...a warm vibrato, ...ve and musical; a ...Considering the ...d Mozart tenors ...was not surpris- ...Tamino, Richard

Day-Lewis, seemed somewhat over-parted.

Stuart Harling's Papageno was beautifully played: bright as a button, with obvious flair for comic timing. Michael Follis *showed* much promise as Sarastro, a little nervous at the top of his range, but singing roundly and accurately down at the bottom. The three Ladies were strongly sung, the three Spirits sweetly; all six with nicely balanced ensemble. Bryan Balkwill conducted the BBC Training Orchestra warmly, and coaxed from singers a sensitive sprinkling of appoggiaturas. In short, Adrian Mitchell's translation was fun.

GILLIAN WIDDICOMBE

Harrogate Festival

This year's Harrogate Festival begins with the Leicestershire Schools Symphony Orchestra and ends with the English Chamber Orchestra. Between these two concerts, during the Festival fortnight, there is a large variety of all types of music.

Pop fans are not forgotten and on Saturday August 7 Family, one of the leading progressive pop groups, appears at the Royal Hall.

Holland Festival

Deafman Glance by ANDREW PORTER

Artistic adventure, among the young, can be pursued at a leisurely pace. Drug time, or timelessness, sometimes has something to do with it; the stoned feel no need to be for ever stirring. So has the interest in oriental art forms. But whether stoned or not, young audiences are readier than their fathers were to sit and savour a single or slow-shifting experience, hypnotised by repetition, or stimulated by the observance of tiny changes. So Satie's *Vexations*, a few bars for piano *très lent*, played and played again in a performance which lasts for 24 hours, is in favour. Stockhausen's *Piano Piece IX* opens with the same chord played 227 times; his *Stimmung* is essentially one chord sustained for 75 minutes (with verbal and textural incident). There are plenty of other even more extreme examples.

When not pushed for time I too enjoy these events. A few hours of the early morning spent with *Vexations* in the Arts Lab three years ago were rewarding as well as restful. Noh drama trimmed down for indoor theatre use has seemed to me an unworthy thing since I spent a day on the island of Miyajima watching a Noh cycle from dawn to dusk. In Shiraz, in the jasmine-scented gardens around Hafiz's tomb, we can sit for hours listening to the virtuosos of *tar* and *tombak*. One day I hope to be present at an uncut Kathakali presentation lasting from dusk to dawn; to hear Indian music freed from the time-schedule of a western concert; to visit Epidaurus not just for one play, but a day-long Dionysian cycle.

At a festival it is easier to escape into a new, unhurried, unwestern time-scale (to play the artistic counterpart of cricket rather than tennis). I do not really surrender to *The Ring*, in its enormous entirety, except at Bayreuth—in London one would have to cut the telephone, and leave the post unopened, during the week or weeks that the cycle lasts. At the Holland Festival, the performance of Robert Wilson's *Deafman Glance* lasted for six hours, with two intervals: from 8.15 p.m. to 2.15 a.m. It was a marvellous, unforgettable experience. True festivals exist to provide this kind of fare, otherwise unobtainable, and not just a supercharged schedule of familiar events.

It is hard to describe *Deafman Glance* in terms that do not make it sound at once boring and pretentious. Yet pretentious it is *not; boring it is*—until one adjusts to its time-scale, and is prepared, for example, to listen to the first of Bach's 48 preludes or the first movement of the Moonlight sonata played through perhaps a dozen times,

while everyone else on the stage stops still and listens as well. Let me confess that at the first of the two performances I grew impatient, and left after two acts. But the dream-pictures of the presentation would not be dismissed; so I returned to the second performance, relaxed, receptive, ready to share the marvellous dream-sequences as they slowly unfolded.

Wilson, 29, Texan-born, was trained as an architect, worked as a painter, and worked with handicapped children, teaching them to move and express themselves in movement. He quotes Isadora Duncan: "I shall not teach the children to imitate my movements, but shall teach them to make their own . . . the dancer of the future will be one whose body and soul have grown so harmoniously together that the natural language of that soul will have become the movement of the body." He turned to the theatre because the pictures in his mind were richer than any he could manage to set down on canvas. The first picture of *Deafman Glance* is a beach (the stage deep in real sand); the second is a drawing-room. Those of Acts 3 and 4 are magic sites, many things at once. Acting plays a part in this "total theatre," and dancing plays a part, moving a larger part, and music a small part; there is not much speech; but most of *all* Wilson seems to be painting.

He amasses people, rather than pigments, arranges them on stage, slowly shifts them. He allows that one is liable to doze off from time to time; this merely increases the dream-quality of the experience. And in fact, while that C major prelude went on and on, the background of the picture did not remain static; suddenly one became aware that some elements had changed, although one had not seen the change happening.

Anything can happen, and not everything happens slowly. Towards the end of Act 1 a coal-black mammie danced on, and then a row of them, and then row after row (Wilson uses a cast of hundreds), until the stage was more thoroughly filled with coal-black mammies than ever the Bolshoy's can have been with bayadères. Several independent mysterious dramas are enacted in simultaneous silence—though a character may occasionally pass from one to another. A tortoise takes an hour to cross the stage; Bugs Bunny, eight feet tall, suddenly dances on; the lady pianist chats amiably to a walrus. Sigmund Freud sometimes walks solemnly through the scene, or sits down to observe. (The leader of the Amsterdam University Theatre took a photograph of Freud to an Old Folks' Home; yes, said the caretaker, we have him here—and produced the old man who plays the part, delighted to be on the stage of the Stadschouwburg.)

The show was created in Iowa, seen twice in York, in Nancy, and then in Paris. Plainly it develops at each performance. Wilson picks up new characters as he goes along; his blind people are blind, his cripples are cripples. It was even said (though not, it *seems, truly*) that the nominal protagonist—a small negro boy who watched his mother tenderly murder his brother and sister, and has been mute ever since—is the real-life person. Images recur, as they do in a painter's work: the tortoises, the mammies, Dr. Freud, the solitary runner on the shore; and some of them were also used in Wilson's earlier piece, *The Life and Times of Sigmund Freud*.

It might be intolerable, were it not so beautifully composed: enchanted décors, magical costumes, amazing richness of imagination; precise control of density, masterly handling of the extended time-scale; a series of beautiful surrealist visions; "magic realism;" Alice in a Wonderland which is also our modern world.

Record Review

Deep in Blues by KEVIN HENRIQUES

LIGHTNIN' HOPKINS. Let's Work Awhile
Lightnin' Hopkins (guitar and Vocal)
Blue Horizon Select 2431 005, £1.99
JOHN LEE HOOKER. That's Where It's At!
John Lee Hooker (guitar and vocal)
Stax Select 2362 017 £1.99
CARLA THOMAS. Memphis Queen
Carla Thomas (vocal) and orchestra
Stax Standard 2363 004, £1.49
BILLIE HOLIDAY. *The Lady Lives*
Billie Holiday (vocal) and accompanying musicians
ESP 3002, £2.99 (2 LPs)

In the frenzied gallop to keep pace with the latest developments and feelings in jazz it is almost inevitable that critics and fans lose sight too easily of the music's roots and foundations. It is essential, therefore, to occasionally return to base and be reminded of the long road the minor art form of jazz has travelled in such a comparatively short period and to be re-astonished at its evolution from the early blues.

The blues: that's the firm basis of all jazz—even the avant-gardists acknowledge their debt. This is not the moment to dilate on the numerous aspects of the numerous types of blues but some of the most moving and musically satisfying are the country blues as sung by such masters of the genre as Lightnin' Hopkins and John Lee Hooker.

Lightnin' is considered the greatest living Texas blues singer while Hooker, born in Mississippi, is adjudged "one of the few truly authentic exponents of archaic guitar style." Both sing the truth about life in the Negro community, both have a deeply personal involvement in the blues. Now I am not an incurable addict of country or urban blues (though gladly admit one of my most enduring jazz-going experiences was seeing Muddy Waters bring an ecstatic audience to its feet at the Philharmonie, Berlin, in 1968) but I find Lightnin' Hopkins *compelling listening*. Perhaps it is because his guitar style (reminiscent of Big Bill Broonzy) is so distinctive and varied. All the time his guitar underlines and echoes his throaty vocal phrases in the best country blues fashion.

On ten selections (all his own *compositions* and well recorded —no difficulty in following the words, an oft-heard criticism of blues singers) his material ranges from the sexy to the mundane, for example, *The Jet* which tells of a plane trip from America. Hopkins' blues are by turn jaunty, sad, optimistic, despairing and he picks out some hard, dramatic phrases *from* his guitar. This imposing combination of voice and instrument produces a thoroughly successful album.

I wish I could be as enthusiastic about John Lee Hooker's LP. For *a start* his guitar style is less captivating than Hopkins'. There's more twang to Hooker's tone, more reliance on slurred and held notes and spaces, far less on improvisation. There's much less variation, too, in the material and tempo—all the second side is painfully slow. One track, burdened with similar short phrases constantly repeated, lasts almost eight interminable minutes. The subdued, doleful feeling inevitably induces boredom. This is not typical Hooker *as* he is an avowed variator, and although his natural blues *feeling* can never be dampened—even here —*this* disappointing LP does not adequately showcase his capabilities.

At that Berlin concert mentioned earlier, helping Waters stir the audience was Carla Thomas, another singer whose roots are deep in the blues, as befits a girl from Memphis. Possessed with an extraordinary vocal range, she has now sadly strayed into the "pop soul" field, a more lucrative area than pure country blues.

Memphis Blues is solidly in the Memphis sound tradition—clomping guitar, thudding drums, *ooh-aah* backings from a covey of girl singers, fade-outs, violins on some tracks and dreadfully uninspired lyrics, for example, "He belongs to me/He's my cup of tea." The Memphis sound is another of those simplified and glossy versions of the blues tailored for a wider public than ordinary blues enthusiasts, and in the dilution some of the valuable essence disappears. This applies especially to Carla Thomas, whose unquestionable artistry seems to have been levelled down here to the three-minute sameness of less talented soul singers.

Sandwiched between the blues of Hooker and Hopkins and the soul of Carla Thomas is the unforgettable blues of Billie Holiday, one of the few truly great jazz singers. Again *this* is not the place for definitions of what is a jazz singer but Billie Holiday, or Lady Day, as she was widely called, was a jazz singer as conclusively as Bessie Smith and Louis Armstrong were. A clue to the deep mystery came from Billie herself: "I don't think I'm singing. I feel like I'm playing a horn"—full circle, because from blues and gospel singing came instrumental jazz with the instrument used as substitute for the human voice.

Billie's blues was of a special nature because of her cataclasmic life, bound up with drug addiction and fracases with the police. When she sang *I've Gotta Right to Sing the Blues* she wasn't kidding.

On this curious LP, consisting of 12 songs taken from radio broadcasts between 1949 and 1952, the sound is never entirely satisfactory and no details about supporting musicians are given on the sleeve, lamentably devoted exclusively to Lady Day's drug addiction. Pianist Horace Henderson and trumpeter "Hot Lips" Page are mentioned as playing *en passant* during the chat part of the tracks. Two tunes are heard twice (cut on different occasions) and most are available with better clarity on previous releases. Nevertheless such was Billie Holiday's talent that even on a bad quality record her ever-surging anguish and spirit came across overwhelmingly. Any banal song lost its banality because her voice miraculously transformed it into something special and poignant.

Although I am one of those devoted followers who myopically feel that anything Billie Holiday sang contained a fleck of gold somewhere, honesty forces me to admit that *The Lady Lives* is solely for avid collectors of all her recordings and not for those seeking an album which represents her best work.

Blues of a far different nature are loudly heard from Patty Waters on the ESP sampler which accompanies the Holiday album. Miss Waters' "singing" consists of shrieks and bleats and the pained repetition of the word "black." Perhaps it is a misleading extract from her long rendition of *Black is the Colour of my True Love's Hair*, the rest of which may be enchanting. But then that's the danger with *samplers*: here no less than 42 snatches are crammed on to two sides and the only conceivable value to the buyer is to bring to his notice the huge array of discs by such leading "new thing" or "free jazz" players as Pharaoh Sanders, Milford Graves, Marion Brown and Burton Greene that are available on the ESP label.

NPO festival performances

The New Philharmonia Chorus having been invited to *take part* in Mahler's *Symphony of a Thousand* under Colin Davis at the Opening Night of the Proms, will be rounding off their season with appearances at three festivals.

After a performance of Beethoven's *Missa Solemnis* with Carlo Maria Giulini in York Minster as part of the city's 1,900th anniversary celebrations, they fly to Sweden for a much younger city's festival. Gothenburg is celebrating its 350th anniversary and the Chorus will give two concerts with Sergiu Commissiona, including Orff's *Carmina Burana* and the *Hymnus Amoris* by the Danish composer Nielsen.

Later in the summer they go to Orange in the South of France to give a Gala Concert in the first Chorégie in the Roman Théâtre Antique. This will be a performance of the Verdi *Requiem* with Carlo Maria Giulini, the Paris Orchestra, and a distinguished solo quartet, including Christa Ludwig and Nicolai Gedda. Other concerts in the festival include recitals by Ella Fitzgerald and Montserrat Caballé.

Nottingham Festival

Electronic music by RONALD CRICHTON

The Mandson Ensemble's concert of electronic music on Tuesday in the Festival Club at Nottingham included four pieces by composer-performers who are members of the group. Writing of Charles Hine's *Statement II*, the programme annotator observed sadly that "even in this technological age of ours" it is "very difficult" to find people who wholly or partly like or approve electronic music. This concert, though apart from one technical hitch (actually at the beginning of Hine's work) it went *smoothly*, was devotedly and as far as one could judge well performed, confirmed a suspicion that what is really needed most of all is composers big and original enough to impose themselves and their techniques, to use the new possibilities with searching imagination, to make what still sounds uncouth, raw or incompetent an *acceptable means of communication*.

Stockhausen is a case in point. His *Spiral*—the only piece included by a composer not a member of the ensemble—may be small stuff by his standards, but at least in the realisation we heard by Irvine Arditti it transformed the short-wave receiver signals which are its substance into something strange yet consistent and occasionally impressive. The English works all played or compromised to some extent with "real" instruments. Even Hine's *Statement II* (first performance), much of which was remorsely scratchy and scrubby, employed, while distorting them, human voices and orchestral instruments. In spite of a rondo scheme and a well-managed final decrescendo, it was hardly a piece to convert th... enemy or the half-hearted.

Morris Pert's *Alpha Centau...* and Paul Patterson's *Continuum* (first performance) were easi... listening. *Alpha Centauri* is ... mood-piece about the star aft... which it is named. A flute an... tinkling percussion are ... prominent as synthesizer ar... potentiometer. The flute hesit... indeed as if it were trying t... remember Debussy's *Syrinx*. Even in the second half whe... the electronic sounds asse... themselves, that imagina... Hellenistic world is never f... away. But it was refreshing t... hear, and so was Patterson'... *Continuum*, with considerab... use of continued and contrasti... ostinatos which gave his playe... nice things to do. The sha... was a huge crescendo follow... by a rather shorter diminuend... reassuringly familiar but lost ... some effect because there we... so many crescendos or "waves ... sound" during the eveni... Patterson used visual effects ... well but added his strobe lig... ing too soon—it palls quickly.

The title of Irvine Ardit...s *Feedback* refers not to the te... nical process but to the form ... his piece, which is made w... overlapping, alternating mate... for the various performers. So... lively and interesting pattern... emerged out of an unpromis... opening full of unattractive b... zings. The best parts had ... virtue otherwise evident only ... the Stockhausen, of seeming ... to be borrowed from fami... kinds of music but to grow n... and naturally out of the meth... used. The end was another le... effective dying fall. The occas... was pleasantly informal, w... drinks and smoking, member... the audience going and com... as they liked. Most of th... were content to stay.

D'Oyly Carte use new visual techniques for Festival Hall

D'Oyly Carte Opera Company are to waive the use of conventional scenery for the first time in almost one hundred years of their history. Because of the size and shape of the Festival Hall (and the fact that there is no fire curtain there to comply with GLC fire regulations for the use of conventional canvas and wood scenery)—where they open their first-ever season on July 28 for a 3½-week run of four different Gilbert and Sullivan operas—they will use newly designed settings which incorporate a mix of techniques including front and back projection of images on screens, and modular rostrums.

The operas to be presented are: *The Mikado* (July 28-August 4), *Princess Ida* (August 5-7), *The Gondoliers* (August 9-...) and *The Yeomen of the Gu...* (August 16-21).

The designer of these spe... settings, Bob Bahl, expla... "Because of the size and sh... of the Festival Hall stage w... had to design a completely ... set round the current pro... tions. And although the phy... concept has had to remain t... tional, what we are trying to ... is a movement of the vi... elements as fluid as the w... and music."

The new scenery is give... 3-D effect by using screens—... in oil—on which the images ... projected, and supplemente... interchangeable units which ... used in a series of modular ... trums.

Farming and Raw Materials

First swine fever for five years

SWINE FEVER was confirmed by the Ministry of Agriculture yesterday on a pig farm on the outskirts of Filey, Yorkshire. It is the first outbreak of the disease in Britain since June, 1966.

All 44 pigs on the farm have been slaughtered, and movement restrictions imposed. On a "contact" farm a mile away, three pigs were slaughtered as a precaution. No further cases of the disease have been confirmed.

Swine fever is highly infectious among pigs and can be fatal. A slaughter policy to eradicate the disease was introduced in 1963. In that year there were 1,153 outbreaks, and the compensation paid for the 0.5m. pigs slaughtered amounted to £4m.

The last outbreak, in 1966, was a single case which was confined to the Wiltshire farm where it occurred.

Common Market spells ruin for Devon fishing

DISASTER would face the Devon fishing industry if Common Market entry meant throwing open the fishing grounds between the six and 12-mile limits, Mr. William Badcock, chairman of Devon Sea Fisheries Committee, said at Brixham yesterday.

Mr. Badcock said: "If we increase the number of boats fishing in the six- to 12-mile belt, it would mean that area was being over-fished." Such a move would result in near starvation for inshore fishermen.

Mr. Tom Jones, secretary of the South Devon Shell Fishermen's Association, said opening the six- to 12-mile belt to Community boats would be the death knell of the South Devon fishing industry on which 500-600 families between Plymouth and Torbay depended for their livelihood.

WOOL OFFERINGS CLEARED AT SALE

BRADFORD, July 21.

The British Wool Marketing Board offered about 1,470,000 lbs. of British wool at the auction which was completely cleared today in strong and widespread competition.

Big opportunities for U.K. farmers in EEC—Prior

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

"THERE would be enormous opportunities for growing more food in Britain once we were in the Common Market," said Mr. James Prior, Minister of Agriculture, at the Home Grown Cereals Authority's pre-harvest lunch in London yesterday. But he hoped it would be a balanced expansion, without growing crops on unsuitable land.

He emphasised in particular, the need for good yields of grain to assist the balance of payments, and called for more research on maize so that this crop could take its place on Britain farms once membership had been achieved. He deplored the fact that there had been insufficient research into cereal diseases.

But farmers who hoped to receive guidance for marketing this year's harvest would have received little help from speakers at the luncheon. Their position has been worsened in fact because the seasonal storage incentives, which used to mitigate in some degree the price fluctuations of both wheat and barley, have now been removed.

In their place there is an acreage payment on both, combined with minimum import prices which should, in theory, make sure that the market price will be kept at a level high enough to avoid too much dependence on the deficiency payment.

Orderly marketing

This means in effect that farmers will have to make their own assessments of future market trends, in order to make sure that storage of their grain over the year will be adequately recompensed. Previously, the storage incentive—particularly for wheat which amounted to £4 per ton latterly—provided a real and certain recoupment for this expenditure.

In place of the storage incentive the minimum import prices will gradually be raised, but this in many farmers' eyes is not the same as a fixed monthly increment, because the market price depends only partly on the price of imports. The main influence is the pressure of offerings on the market, and beyond calling for orderly marketing the representatives of the merchants, millers and compounders yesterday had little concrete to offer.

The trouble is that farmers see orderly marketing as a permanent high level of prices, while buyers' ideas are of constant supplies at the lowest possible cost. The fact that these divergent interests are all bedded down together in the Home Grown Cereals Authority accounts in a large measure for the lack of really positive guidance the Authority has been able to give farmers, and accounts, too, for the demand in some farming circles, for a full-scale Grain Marketing Board.

Things are changing now, and the National Farmers' Union is actively looking at the possibilities of improving grain marketing with Common Market membership a strong possibility. The Community system encourages a degree of producer-controlled marketing with support buying, and this last will probably mean a new role for the Authority as the main agency for implementation of the "floor" prices which will be the basis of intervention buying support.

'Tin £2,000 a ton by 1980'

BY JOHN EDWARDS

An annual average cash price for tin of around £1,750 a ton in 1975, and £2,000 in 1980, is predicted by London metal brokers, British Metal Corporation, in a long-term outlook issued yesterday.

The report says it is clear that there will be continued upward pressure on prices from the effects of inflation in mining and distribution costs, and an inflationary factor of 2½ to 3 per cent. on prices represented a reasonable figure based on past trends. It was worth noting the International Tin Agreement's "floor" price had nearly doubled since 1960. However the price forecast did not allow for any speculative activity which might be attracted by the fairly finely balanced position of the market.

British Metal does not foresee any great changes in the basic world supply/demand situation for tin during 1970-80. Consumption is expected to grow only slowly, with non-Communist world usage rising by about 1½ per cent. a year.

Expansion in tinplate, which currently accounts for 43 per cent. of world tin consumption, is likely to be limited by the growing use of substitutes in the can and packaging industries of the more advanced countries, with particularly strong competition from aluminium and tin-free steel. But there was scope for tinplate demand growth in less developed areas.

The use of tin as solder for electronic purposes, now equal to about 20 per cent. of demand, is expected to show continued growth, and expansion is also predicted in many of the smaller uses for tin.

On a regional basis consumption in North America is expected to fall by 0.9 per cent. in the years ahead, but be offset by larger rises in Asia, especially Japan, Africa, and South America. European demand is put at growing by 1.3 per cent. This would mean that by 1980 Asian consumption would grow from 19.9 to 25 per cent. of the total, Europe marginally to 37.8 per cent., and North America fall back from 34.2 to 27.6 per cent.

World mine production is expected to grow fairly slowly in line with consumption, keeping supply and demand in reasonable balance. Any deficits that may appear could well be made up by disposal of the 20,000 tons or so of surplus tin in the U.S. stockpile, the report points out, and any significant surplus would be removed by the buffer stock of the Tin Agreement or, in more extreme cases, by export controls on the producing countries.

Brazil coffee pact hopes

RIO DE JANEIRO, July 21.

RESTITUTION of Brazil's quota on the U.S. preferential sugar market by the Senate committee on finance yesterday has revived hopes here that Congress might still vote for continued U.S. participation in the International Coffee Agreement before the end of the month.

Meanwhile, the Brazil-U.S. soluble coffee agreement continued to-day to be inactive if not suspended, and no significant comment was being made by official sources.

Exporters were still unable to get sales of tax-free coffee for the U.S. soluble coffee industry registered but their applications were being accepted against issuance of a "protocol," export sources said.

The second quarter, with a tax-free quota of 140,000 bags for the U.S. soluble coffee industry, started on July 15. Exporters who had tried to register sales early this month were told the first-quarter's quota had been filled and no new registrations would be made until the second quarter started.

But July 15 came and went and still no sales had been registered by the IBC.

Meanwhile in Bogota, President Misael Pastrana Borrero of Colombia alleged the U.S. Congress had thwarted the aim of the International Coffee Agreement to promote stability.

LME zinc jumps to year's high

By Our Commodities Staff

ZINC values jumped to new highs for the year on the London Metal Exchange yesterday. Cash zinc closed £2 higher at £135.125 a metric ton, while three months gained £2.25 to £137.875 and moved up to £138.50 on the late kerb.

Rumours that a further increase in the U.S. zinc producer price was imminent helped firm the market, which attracted buying interest from the Continent and from speculators, notably chartists.

It is believed there has been a further sharp fall in U.S. zinc stocks which has helped bring an end to much of the discounting of the present price, and the big Anaconda zinc smelter has been closed down by the copper workers strike. At the same time, the LME prices are still well below the official price of £150 a ton charged by the major zinc producers.

Copper prices steadied yesterday, despite the tentative agreement reached between Anaconda and the unions.

In addition, some buying interest from the Continent, and possibly China as well, helped firm values.

It was reported from San Manuel, Arizona, that a group of Magma copper workers, dissatisfied with the terms of the tentative settlement arrived at between the negotiators for the unions and the company, have held a meeting voicing their discontent with the proposed new contract.

However, the final arbiter of the agreement is the non-ferrous co-ordinating bargaining committee of the United Steelworkers of America which meets on Saturday at Salt Lake City to discuss and vote on the Magma and presumably the tentative Anaconda settlement.

Aluminium plan goes to Bank of England

By Our Commodities Staff

THE case in principle for establishing an aluminium futures market in London is to be submitted in a paper to the Bank of England, the London Metal Exchange Board decided at a meeting yesterday.

It is believed that this is the first stage to getting the necessary approval for introducing an aluminium futures market, although it is a rather cautious approach in comparison with a full-blooded decision to go ahead if possible, which supporters of the idea would have welcomed.

The Metal Exchange plan for an aluminium market, which has been under consideration for several years, has met with strong opposition from most of the big producing companies and no consumers so far have come out publicly in its favour.

FRUIT SUPPLIES

Melons well worth waiting for

BY A CORRESPONDENT

IF CONSUMERS have this year had to wait a fortnight longer than usual for the big build-up in melon supplies to start they should be rewarded because the fruit now arriving is about the best ever quality. Indeed, importers are rubbing their hands at the demand this could produce when word gets around.

Cold weather delayed the maturing of the crop and apparently gave it time to acquire exceptional flavour, and it has been proved in Britain that when one melon is better than another people will pay more for it. This time last year, branded honeydew melons from Murcia and Cartegena in Southern Spain were enjoying premiums of 50 per cent. or more above the unlabelled ones that made up the bulk of the supply. It is noteworthy that this year the number of brands appearing on the British melon market has risen sharply.

Little profit

In terms of quantity alone, few of the many fruits and vegetables Spain sends to the U.K. have achieved such success as melons. As more and more Britons have gone abroad for holidays and brought back new eating habits, Spanish melons have grown on the U.K. market from a small luxury item to a popular fruit. And thanks to Britain's summer tourist influx and the amount of business and social entertaining that goes on at other times, it is in year-round demand.

From a mere 7,500 tons, worth £500,000, 15 years ago, Spain's melon shipments to the U.K. rose to almost 44,000 tons, worth £3.5m., last year, accounting for 80 per cent. of Britain's intake. The Spanish mainland now sends melons to Britain for eight months of the year, and a supplementary industry developed recently in the Canary Islands enables Spain as a whole to maintain supplies for practically the whole year.

But the success of the melon has been physical rather than financial. While Spain has had little outside competition to speak of, it has suffered from an excess of supplies. Instead of co-operating to regulate supplies and control standards, Spaniards have vied with each other to get the maximum tonnage on to the market in the shortest possible time. Some were so impatient to unload fruit here that they did so before it was ripe, often earning a bad reputation.

The one-time luxury has become one of the cheapest fruits a British housewife can buy. At the same time, Spanish production costs have risen steeply, so that even the premium prices received for the best melons yield little profit to growers.

Two years ago prices, after starting at a high level, sank so low in the U.K. that importers held an emergency meeting to find ways of averting a market collapse. It did little good. In the matter of regulating supplies, shippers remain as undisciplined as ever.

Even though the weather in Spain has helped this year by improving quality, and may also serve to spread deliveries more evenly than usual, prices are bound to fall from this week's 100p-140p a 10-kilo box as quantities build up.

Spanish Ogen

Despite the lack of progress towards supply management, the outlook for Spanish melon producers is far from hopeless. Inspired by Israel's success with its highly specialised Ogen variety of melon, which sells for two or three times as much as the common Spanish varieties, some Spanish growers have started producing their own fancy version of this and calling it—after having first incensed the Israelis by using the name of one of their villages—Ogen melon.

In some parts of Spain the pink-fleshed water-melon is being turned to as a profitable alternative to the yellow honeydew, while elsewhere earlier varieties of the honeydew itself are being developed so that more melons can be sent to Britain in June and July when the market is at its best, and fewer in August and September when demand tends to be overwhelmed.

Producers are also beginning to exploit storage facilities to a much greater extent than before, holding well-grown melons over the potential glut period and feeding them on to the market as other deliveries thin out before and after Christmas.

Quality might not get its full reward this year, but Spanish melon growers are trying to ensure that it will not be long before it does.

Britain faces higher prices in the EEC

BY OUR COMMODITIES STAFF

FEARS OF higher fruit and vegetable prices and a reduction in consumers' freedom of choice if Britain joins the EEC were voiced yesterday by the National Federation of Fruit and Potato Trades.

The Federation maintains that under the EEC system, importers would run the risk of being unable to unload cargoes because of restrictions which could be imposed by the Commission while the ship was on its way to the U.K. Importers would, therefore, tend to restrict their forward commitments, leading to a reduction in total supplies available and higher wholesale and retail prices.

And while the public had previously enjoyed very low prices when gluts lowered the market value, under the EEC system as soon as supplies of a particular commodity built up enough to lower the price below the fixed "reference price" level, supplies were stopped until prices rose again, the Federation says.

Dearer citrus

It broadly agrees with the Government's White Paper that some fruit and vegetable prices should be lower at certain times of the year. Tomatoes should be cheaper, and apples too—during the European season from September to November. But at other times when Britain normally relied on Southern hemisphere supplies from Australia and New Zealand, the duty against third countries would put the price up, or else housewives would be limited to stored apples from the previous European season.

The Federation maintains that citrus prices would be most affected. "The EEC reference price is based on Italian production costs, although Italy only supplies 5 per cent. of the total requirements for citrus in the whole Community," Mr. Denis Mead, assistant secretary, said yesterday. Under the EEC system, consumers in the Six were denied the benefits of citrus at advantageous prices, he added.

The Federation considers the present "free market" system infinitely preferable to the "devilism" of controlled marketing as practised in the EEC.

The Ministry of Agriculture said last night there was no reason to expect any change in the volume of supplies of citrus reaching Britain as a result of joining the Common Market. It was expected that grapefruit and lemons would be cheaper, although oranges might rise a little in price.

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

COPPER—Little changed on balance on the London Metal Exchange. Although falling to £445 in pre-market trading, forward metal opened at £446 in the ring and moved up to £455 owing to consumer demand at the lower levels and some suspected Chinese buying. Despite the disappointing opening of the U.S. market in the afternoon, the price further rose to £458 owing to stop-loss buying before easing to close at £454½ on the late kerb. Turnover 11,575 metric tons.

Gardner and Co. reported that in the morning, cash wirebars traded at £438, late-Aug. £440, late-Sept. £448, three months £449 to 51.5. Cathodes: cash £431, three months £439 to 42.5. Kerbs: cash £443.5, 45, early-Aug. £447.5, ... £450.5, 51, mid-Oct. £453, three months £454, 53.5, 53, 54, 53, 54.5. Afternoon: Wirebars: cash £446, 46.5, three months £457 to 58 to 56, 56.5, 57. Cathodes: cash £436, early-Oct. £445, three months £446, 46.5. Kerb: bars: cash £446.5, late-July £447, early-Oct. £453.5, three months £457 to 54.5. Cathodes: cash £436, early-Aug. £439.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	442-.5	—4.6	446.5-7	+.25
3 months	451-.5	—5.5	456.5-7	+.0
Settlem't	442.5	—4.6	—	......
Cathodes				
Cash	433-.5	—1.5	436-7	+1.25
3 months	442.5-3	—2.5	446.5-7	+2.5
Settlem't	433.5	—1.6	—	......
U.S. Smlt.	—	......	*52.75-53	......

TIN—Moved narrowly with prices showing minimal increases following moderate rises in thin trading conditions. Turnover 270 tons.

Morning: cash £1,435, 36, three months £1,454, 55, 53, 54. Afternoon: cash £1,437, 38, late-Sept. £1,452, three months £1,455.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£		£	
Cash	1435-7	+1.5	1437-9	+2.5
3 months	1453-4	+1	1455-6	+1.5
S'ment	1437	+2	—	......
Straits Ex	1481.75	—1.15	—	......
New York	..	......	*166.00	......

LEAD—Eased fractionally in quiet trading with no follow through to Tuesday's suspected producer buying. Turnover 1,275 tons.

Morning: cash £109.3, late-July £109.5, early-Sept. £110.75, early-Oct. £111, 11.5, three months £111.75. Afternoon: cash £109.5, late-Aug. £110.5, mid-Sept. £111, three months £111.5. Kerb: cash and late-July £109.5, late-Sept. £111.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£		£	
Cash	109.85-.6	—.25	109.25-.6	—.25
3 months	111.5-.75	—.125	111.5-.75	—.25
S'ment	109.5	—.25	—	......
N.Y. Spot	—	......	*14-14½	......

ZINC—Gained ground. Continued Continental consumer interest, chartist buying and thoughts that there may soon be an increase in the U.S. producer price all combined to raise values. Forward metal closed at £138½ on the late kerb with cash at £136. Turnover 7,475 tons.

Morning: cash £133.5, 34.25, 34.5, late-Aug. £134.5, late-Sept. £136.25, 36, three months £135.75 to 37.5 to 36.25. Afternoon: cash £135, late-Sept. £137, three months £137 to 38. Kerb: cash £136, three months £137.75, 38, 38.25, 38.5.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	134.65-.0	+1.5	135-.25	+2
3 months	136.75-7	+1.5	137.75-8	+2.25
S'ment	134.5	+1.5	—	......
E.St.Louis	—	......	*16	......

* Cents per lb. † On previous unofficial close.

SILVER

SILVER (per troy oz.)	Bullion fixing (selling prices)	+ or —	LME close	+ or —
Spot	63.2p	......	63.95p	+0.05
3 months	65.1p	......	65.25p	+0.3
6 months	66.0p	......	—	......
7 months	—	......	67.1p	+0.2
12 months	62.3p	......	—	......

LME—Turnover 55 (59) lots of 10,000 ozs. Morning: Cash 63.8, three months 65.00, 65. Kerb: three months 65.2. Afternoon: Cash 64.4, 64.2, 64.1, mid-Oct. 65.4, three months 65.3. Kerb: three months 65.3.

COCONUT OIL

Quiet and untraded, reports G. W. Joynson. Close: July £123-£127 (same), Sept. £123-£127 (same), Nov. £121-£127 (same), Jan. £120-£126 (same), March £119-£125 (same), May £115-£122 (same), July £117-£122 (same). Turnover 0 (0) lots of 20 tons each. Price basis ex-tank Rotterdam.

COCOA

A featureless day was experienced in cocoa reports Gill and Duffus. The market finished slightly easier than the previous close.

COCOA	Yesterday's Close	+ or —	Business Done
No.2 Contract			
July	229.5-31.0	—1.5	228.0-8.5
September	235.5-6.0	—1.0	234.0-0.0
December	243.3-4.0	—0.5	242.0-4.0
March	249.5-50.0	—0.5	247.5-50.0
May	253.0-4.0	—0.5	252.0-4.0
July	257.0-7.0	—0.5	256.0-7.0
September	260.5-1.0	—0.5	260.9

Sales: 1,739 (2,551) lots of 5 tons each.

FREIGHTS

DRY CARGO—The market was quiet but grain shippers covered a cargo from the Great Lakes to Lisbon or Leixoes at $7.50 free discharge for July-Aug. and paid $8.50 f.d. for a maize cargo from South Africa to Glasgow or Leith for spot loading. Sugar brokers fixed a cargo from Vera Cruz to New Orleans at $1.95 f.i.o. for July. A bauxite cargo was arranged from Jamaica to the U.S. Gulf at $0 repu per ton, subject approval. A vessel of 10,000 tons was accepted for bulk diammonium phosphate from Jacksonville or Tafi to India at $10.20 f.i.o. for July 25-Aug. 5 and Indian Government brokers indicated the same rate for further tonnage. Approval was awaited, however, on a sulphur fixture from Vancouver to India at $9.75.

OIL TANKERS—More activity but with little change in rates and a number of rumoured rather than confirmed fixtures. An encouraging sign to owners was that Shell was showing less interest in sub. letting tonnage. The two 90,000-tonners lying idle in the Persian Gulf for some weeks were rumoured fixed spot to the West at about Worldscale 30 by U.S. charterers but this was not confirmed. Socal took a 65,000-tonner for six months' consecutive voyages from August 25 at W.35 and also a 90,000-tonner for three years' consecutives from end-1971 at W.73.

COFFEE

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per ton		
July	370.0-0.5	+1.5	368.0-70.5
September	358.0-8.5	+0.5	357.5-8.0
November	353.0-3.5	+0.5	353.0
January	347.5-8.0	......	347.0-8.0
March	343.5-4.0	......	343.5
May	341.5-2.0	+0.5	341.0
July	339.5-40.0	......	—

Sales: 153 (153) lots of 5 tons each.

Latest published ICO indicator prices (U.S. cents per pound): Colombian Mild Arabicas 47.75 (same). Other milds 43.50 (same). Unwashed Arabicas 42.13 (same). Robustas 42.32 (same). Daily average 43.69 (same).

COTTON

Unchanged, reports Eccles and Stern. (New pence per kilo)

COTTON	Yesterday's Close	+ or —	Business Done
July	30.60-.80	......	—
October	30.40-.80	......	—
December	30.40-.80	......	—
March	30.40-.80	......	—
May	30.40-.80	......	—
July	unquoted	......	—

Turnover 5 (0) lots of 10,000 kilos each. Strict middling 1 1/16 inch. Pressley 78,000 lbs square inch micronaire 3.5-4.9.

RUBBER

STEADIER at the opening, little interest at the higher levels, closing dull. Lewis and Peat reported a godown price of 99 Malayan cents a kilo (buyer, August).

Contract	Previous Day's Business	12.45p.m. Official prices	Closing buyers prices	Rise or fall
	p	p	p	p
C.I.F.				
August	not avail.	13.9*-14.1*	13.8	+0.15
Sept.	not avail.	14.15-.5	14.1	+0.1
Landed				
Spot	—	14.7-15.0	14.65	+0.1
August	14.65	14.85-15.0	14.76	+0.05
Sept.	—	15.15-.3	15.1	+0.1
Oct.	—	15.45-.05	15.40	+0.15
Oct.-Dec.	16.55.85	15.75-.9	16.75	+0.15
Jan.-Mar.	16.85	16.4-.65	16.35	+0.1
Apr.-Jne.	16.95-17.0	17.15-.3	17.1	+0.1
July-Sept	—	17.7-.8	17.05	+0.2
Oct.-Dec.	—	18.15-.35	18.1	+0.2
Jan.-Mar.	—	18.5-.7	18.45	+0.15
Apr.-Jne.	18.75	18.85-19.05	18.25	+0.2
July-Sept	—	19.15-.35	19.10	+0.15
Oct.-Dec.	—	19.45-.60	19.4	+0.15

* Nominal.

Malayan thick crepe Aug. 19.4* (seller), Sept. 19.4 (seller). Ceylon thick crepe Aug. 22.7-23.1.

SOYABEAN OIL

Quiet, reports G. W. Joynson.

Soyabean Oil	Yesterday's Close	+ or —	Business Done
	£'s decimal long ton		
July	125.0-35.0	—5.0	—
September	124.0-38.0	—4.0	—
November	123.0-34.0	—2.6	—
January	120.0-35.0	—2.2	—
March	118.0-31.0	—3.0	—
May	110.0-29.0	—8.0	—
July	109.0-28.0	—1.3	—

Turnover 0 (0) lots of 20 metric tons each. Price basis ex-tank Rotterdam.

GRAINS

THE BALTIC—A cargo of Canadian barley traded for Oct. shipment to the U.K. while small quantities of U.S. corn sold for Aug. transhipment to various East Coast ports. Small tonnages of optional de-natured feed wheat, too, were purchased by U.K. East and West coast ports.

Wheat: Canadian Manitoba No. 2 July 20-Aug. 10 transhipment £31.73 seller East Coast, Canadian Manitoba No. 3 unquoted, U.S. Red Winter No. 2 Aug. transhipment £28.55 seller East Coast, U.S. Hard Winter No. 2 13½ per cent. Aug. transhipment £30.20 seller East Coast, Australian f.a.q. Oct. transhipment free out £29.25 seller Tilbury. French Aug.-Sept. £26.50 East Coast quoted.

Maize: No. 3 Yellow American Aug. £28.20 seller Tilbury.

Barley: Canadian No. 2 Aug. £25.25 seller Avonmouth levy buyers account.

MARK LANE—Average sellers' quotations for prompt delivery London area: Wheat—Soft milling £26.50-£29.50 (new crop) August-Sept. £24.00-£24.50. Semi-hard, Hard and Feed all unquoted. Barley—Malting unquoted Feed (new crop) prompt £24.90 value. Oats—Milling £28.00-£29.00 (new crop) August-Sept. £23.90 value. Feed £27.00-£28.90.

LONDON HOME-GROWN FUTURES—Wheat, quietly steady. Close: Sept. 23.900, Nov. 24.700, Jan. 25.700, March 26.550, May 27.000. Business: Sept. 23.800-23.825, Nov. 24.700-24.650, March 26.550. Barley, quietly steady. Close: Sept. 22.925, Nov. 23.875, Jan. 24.575, March 25.325, May 26.025. Business: Nov. 23.775, Jan. 24.500, March 25.250, May 25.925.

HGCA—Location average ex-farm spot prices. Soft milling wheat—No prices. Feeding barley—Newbury £20.00.

SUGAR

LONDON DAILY PRICE—Lower at £42.30 (£42.50) a ton c.i.f. for July-Aug. shipment.

Opening quotations proved to be the day's lows and trading thereafter was in a 10 points range, reports C. Czarnikow. But by mid-afternoon higher overseas advices had produced a spate of buying taking valuations to the day's highs at the closing call.

Sugar Pref. Comm. Con.	Yesterday's Close	Previous Day's Close	Business Done
	£ per ton		
Aug	42.50-.30	42.40-.50	42.30-.60
Oct	43.05-.70	42.45-.60	42.40-.65
Dec	42.70-.75	42.55-.60	42.30-.75
Mar	43.60-.05	43.45-.50	43.35-.50
May	43.65-.7	43.40-.50	43.40-.70
Aug	43.40-.00	43.65-.50	43.20-.40
Oct	43.3-.40	43.15-.20	43.10-.18

Sales: 1,256 (2,691) lots of 50 tons each.

Tate and Lyle's ex-refinery prices for granulated in 1-cwt paper sacks was £4.16 (£4.17) for home trade and £38.30 (£38.50) per ton for export.

SUNFLOWER OIL

Untraded, reports G. W. Joynson.

Sunflower Oil	Yesterday's Close	+ or —	Business Done
	£'s per long ton		
July	156.0-76.0	......	—
September	155.0-76.0	......	—
November	100.0-76.0	......	—
January	100.0-73.0	......	—
March	150.0-70.0	......	—
May	145.0-68.0	......	—
July	145.0-66.0	......	—

Turnover 0 (0) lots of 20 metric tons each. Price basis ex-tank Rotterdam.

WOOL FUTURES

MERINOS—Market dull and featureless, reports Bache.

(New pence per kilo)

Dry-combed wooltops	Yesterday's Close	+ or —	Business Done
July	—		—
October	80.0-1.5		—
December	82.5-3.3	—0.0	—
March	83.0-4.0	—0.25	—
May	84.0-3.0	—0.25	—
July	84.5-5.0	—0.1	—
October	20.0-0.0	+0.25	—
December	86.0-6.2	......	—

Turnover 0 (3) lots of 2,250 kilos.

SYDNEY—Steady. Close: July 57.6-58.0, Oct. 62.1-62.2, Dec. 63.3-63.5, March 65.8-65.9, May 67.0-67.2, July 68.4-68.5, Oct. 69.6-69.7.

JUTE

DUNDEE—Quiet with little buying interest. Offers c.i.f. U.K. for Aug.-Sept. shipment: PWE £155, PWC £146, PWD £138. Tossa: PTA £164, PTC £154, PTD £140. Calcutta goods easier. Quotations c. and f. U.K. for July shipment: 10-ounce 40-inch £690, 7½-ounce £514 per 100 yards: Aug. £684 and £524; Sept. £670 and £508. "B" twills £17.73, £17.94 and £18.14 for the respective shipment periods. Yarns and cloths quiet with prices irregular.

LONDON—Quiet. PWC grade July-August £147 seller, PWD grade July-August £137 seller. A long lot.

CALCUTTA—Easy. Indian spot Rs.365 value. Dundee Daisee spot Rs.350 value. A bale of 400 lbs.

MEAT/VEGETABLES

SMITHFIELD—Beef: Scottish killed sides 18.5p to 20.8p, Eire hindquarters 23.7p to 24.6p, forequarters 13.3p to 14.2p; Argentine chilled boneless cuts: Strip loins 35p to 39.2p, rumps 30p to 34.2p, top sides 27.5p to 29.2p, silversides 25p to 27.5p, thicks 25p to 27.5p, ponies 16.7p to 18.3p.

Veal: English fats 29.2p to 33p, fats (high quality) 35p, Scottish bobbies 11p to 14p.

Lamb: English medium 15.8p to 20p, heavy 15p to 16.7p, Scottish medium 15p to 18.3p, heavy 15p to 18.7p, Eire 14.2p to 17.5p; Imported frozen: NZ II's 13.1p to 14.2p, 2's 12.5p to 13.3p, S's 12.1p to 12.5p, YL's 11.9p to 13p, YM's 12.2p to 12.9p.

Pork: English, under 100 lbs 10p to 14.2p, 100-120 lbs 10p to 13.5p, 120-160 lbs 11.3p to 12.9p, 160-180 lbs 10.4p to 11.7p, 180 lbs and over 10p to 10.8p.

Meat Commission average fatstock prices at representative markets yesterday: U.K.—cattle £12.38 per live cwt (+0.01 on previous week), sheep 18.9p per pound edcw (−0.7), pigs £1.75 per score liveweight (+0.02). England and Wales—cattle numbers up 47.4 per cent. average £12.53 (+0.11), sheep numbers up 30.1 per cent. average 19.1p (−0.7), pig numbers up 9.5 per cent. average £1.75 (+0.02).

COVENT GARDEN—Imported produce: Grapefruit—South African: 32 2.20-2.25, 36 2.25-2.30, 40 2.40-2.45, 48 2.65-2.70, 56 2.55-2.60, 64 2.45-2.50. Oranges—Brazilian: £1.60-£1.70; Israeli: Valencia Lates £1.35; South African: 56/150 £1.60-£1.80; Californian: 88/113 £1.50-£1.75. Lemons—Italian: 100/120 £2.50-£2.65; South African: £2.25-£2.75. Melons—Israeli: Ogen £1.60-£2.00, yellow £1.80; Spanish: yellow £1.00-£1.20; French: Charentais £1.30-£1.40. Water-melons—Cypriot: £1.00; Israeli £1.00; Spanish £1.00. Grapes—Belgium: Royal per pound £0.25-£0.30; Cypriot: Sultana £0.11, Cardinal £0.10; Israeli: Perlette £0.11, Roaskin £0.11. Apples—New Zealand: Rome Beauty £2.60-£2.90, Dougherty £2.90, Granny Smith £2.30-£2.60; Tasmanian: Jonathans £2.50-£2.60, Sturmers £3.10, Geeveston Fanny £2.60, Granny Smith £2.10, Croftons £2.70, Golden Delicious £3.90; West Australian: Granny Smith £3.20. Pears—Australian: Packham's £2.50, Josephines £2.60, Winter Nelis £2.10; Italian: 18/20 lbs Moretini £0.90, Guyots £1.10; French: per pound Dr. Guyots £0.06. Peaches—French: £0.70-£0.90; Italian: large £1.00-£1.20, small £0.70-£0.75. Apricots—Spanish: per tray £0.80-£1.00; Hungarian: £0.80. Plums—Spanish: per tray Jups £0.55-£0.60, Santa Rosas £0.70-£1.00, Burbanks £0.50-£0.90; Italian: per tray Burbanks £0.30-£0.70. Avocados—South African: 12/20's £1.50-£2.55. Tomatoes—Guernsey: per pound £0.05-£0.07; Jersey: £0.05-£0.07; Dutch: £0.06. Potatoes—Cypriot: £0.70. Onions—Canary: £0.40; Spanish: £0.70-£0.80; Israeli: £0.80; Maltese: £0.80. Courgettes: French: per pound £0.04; Jersey: £0.04. Capsicums—Italian: per pound £0.09.

English produce: Cabbage—Crate £0.50-£0.60. Lettuce—Round, 24's £0.70, Cos 12's £0.40-£0.45. Potatoes—New Crop £0.50-£0.60. Mushrooms—per pound £0.20-£0.25. Cucumbers—per tray 12/15's £0.70-£0.90. Cauliflowers—12's £0.60-£0.65. Tomatoes—per pound £0.05-£0.08. Celery—12/30's £0.85. Beans—Worthing, per pound £0.20. Broad beans—£0.03. Runner beans—£0.07. Peas—per bag, approx. 26 lbs £0.50-£0.60. Carrots—28-lb bag £0.50-£0.70. Beetroot—per bag £0.50-£0.60. Spring onions—per tray 20 bunches £0.50. Courgettes—per pound £0.05. Strawberries—per pound £0.10-£0.15. Gooseberries—per pound £0.05. Levellers £0.03-£0.8. Cherries—per pound £0.05-£0.11. Blackcurrants—per pound £0.12-£0.15. Raspberries—£0.10-£0.15.

★

COPRA—Philippines/Indonesian: July $192½, Aug. $194½, Sept. $197½, Oct. $199½ resellers.

★

HIDES—London: Prices steady to firm. Second clear ox 31-35.5 kilos 13.3p per kilo, 26-30.5 kilos 14.4p, 22-25.5 kilos †15.8p, cows 25.5 kilos and under †15p. First clear calf under 4 kilos none offered.

† Withdrawn.

★

GRIMSBY FISH—Moderate supply and fair demand. Prices per stone: Shelf cod 90p-£1.20, large haddock £1.75, small haddock 70p-90p, medium plaice £2.60, coalfish 50p, catfish 70p.

PRICE CHANGES

Prices per ton unless otherwise stated.

	July 21 1971	+ or —	Month ago
Metals			
Aluminium (a) (u)	£257.20	......	£257.2
Copper			
Cash Wire Bars (x)	£446.75	+.26	£459.25
3 months do. do. (x)	£456.75	+.3	£470.25
Cash Cathodes (x)	£436.5	+1.25	£449.25
3 months do. do. (x)	£446.75	+2.5	£460.75
Gold......Troy ozs.	$41.25	+0.30	$40.30
Lead, Cash, (x)	£109.375	—0.25	£111.875
3 months (x)	£111.625	—0.25	£114.625
Nickel (o)	£1,246.5		£1,246.5
Platinum (b) troy oz.	£50	......	£50
Freemarket	£45¼-9¾	......	£43-47
Quicksilver (76 lbs)	£212	......	£212
Silver Troy oz.	63.6p	......	65.3p
3 months	65.1p	......	67.8p
Tin, Cash (x)	£1,438	+2.6	£1,447
3 months (x)	£1,455.5	+1.0	£1,455.5
Wolfram 22.04 the cif	£19-20.25	......	£22¼-3¼
Zinc, Cash (x)	£135.125	+2	£131.625
3 months (x)	£137.875	+2.25	£134.125
Producers (x)	£150	......	£160
Oils			
Coconut, Malayan	£147 (w)	......	£135
Groundnut			
3.5%	†£190 (r)	......	£193
Linseed Crude	†£110 (r)	......	£106
Palm-Malayan		......	£108
Soyabean u	†$335 (t)	......	$314
Seeds			
Copra, Philipp. ton	†$194½ (t)	—1½	$201½
Groundnuts Niger'n	†£105 (t)	......	
Linseed Crude No. 1	†£48.50 (g)	—0.05	£48.95
Grains			
Barley			
Can No. 2	£23.20	......	£27.40
Home Futures	£23.875	+0.025	£24.55
Maize			
No. 3 Yellow Am.	£28.80	—0.45	£30.60
S.A. Yellow Flint	‡		‡
Wheat			
No. 2 Manitoba	£31.70	......	£32.10
No. 2 Hard Winter	£30.20	......	£31.70
Australian	£29.25	......	£29.25
English Milling	£24.½	......	£29.½
Cocoa Shipmt (s)	£243.50	......	£227.50
futures Sept.	£235.75	—0.75	£232.75
Coffee Shipment (c)	33.00	......	39.25
futures Sept.	£358.25	+0.50	£356.25
Cotton Liverpool cif index cents per lb.	33.8	+0.10	33.50
Jute LJA PWC	£147 (t)	......	£106
Rubber......Kilo	14.05p	+0.1	15.7p
Sisal EA 3L (x)	£78-79	......	£78-79
Sugar	£42.30	—0.20	£43.30
Wooltops 64s......Kilo	90p	......	20p
Cloves	79½p	......	79½p
Pepper White......ton	£430	......	£455
" Black......ton	£560	......	£305

* Nominal. † Seller. ‡ Unquoted. § Unofficial close. ♣ Indicative price. a Canadian delivered. U.K. U.K. and Commonwealth refined. c Uganda Robusta grade 10 unwashed f.o.b. Mombasa cents a pound. d Pakistan white "C" ex-warehouse. r C.I.F. U.K. u Metric tons. r July. t Aug. s June-July. p Sept. k May-July. j July-Aug. m Aug.-Sept. o Oct.-Nov. o Nov.-Dec. p Sept.-Oct. z Jan.-Feb. n Dec. h Dec.-Jan. v Feb.-Mar.

INDICES

FINANCIAL TIMES

July 21	July 20	Month ago	Year ago
80.13	85.83	86.89	83.78

(Base, July 1, 1952=100)

REUTER'S

July 21	July 20	Month ago	Year ago
026.1	062.0	629.2	613.2

(Base, Sept. 18, 1931=100)

DOW JONES

Dow Jones	July 21	July 20	Month ago	Year ago
Spot	141.03	141.01	144.36	141.15
Futures	143.76	143.98	140.38	130.31

(Average 1924-25-26=100)

MOODY'S

Moody's	July 21	July 20	Month ago	Year ago
Sple Commd'y	369.0	370.7	380.5	408.1

(Dec. 31, 1931=100)

U.S. Markets

NEW YORK, July 21.

SUGAR firmed as Thailand failed to inform the UN of its intention regarding withdrawal from the agreement. Copper advanced on rumours of last-minute snags in the strike settlement. Wheat recovered early losses on pending exports to Mexico. Corn fell with July expiring, limit-down on indications of less blight than last year, Bache reports.

Cocoa—Bahia spot 27½ (27½). Ghana spot 28½ (29½). July 25.57 (25.65), Sept. 25.92 (25.65), Dec. 25.31, March 25.61, May 26.40, July 26.30, Sept. 26.61. Sales, 3...

Coffee—Santos No. 2/3 unquoted (same). Santos No. 4 unquoted (same). Colombian Mams 47.75 asked (same).

Copper—Sept. 49.35 (48.55), Oct. 49... (48.65), Dec. 49.55, Jan. 49.75 settlement. Sales, 1,224 lots.

†Cotton—Contract No. 1 Aug. 24.00 (same), Nov. 22.00 nom. (same), Jan. 22.00 bid, April 22.00 nom., June 22... nom. Contract No. 2 Oct. 30.56 (30.5...), Dec. 31.18-31.19 (31.20-31.22), March 31..., May 32.30-32.26, July 32.09-32.13, Oct. 30..., Dec. 29.95-30.00.

§§Cottonseed Oil—Sept. 17.00 bid (17... bid), Oct. 16.60 bid (16.70 bid), Dec. 16... bid, March 16.55 bid, May 16.55 bid, July 16.55 bid, Sept. 16.55 bid. Sales, nil.

♣Greasewool—Spot. 50.0 nom. (same), Oct. 55.5-57.0 (55.0-56.0), Dec. 60.0-... (59.0-60.1), March 65.0-66.0, May 67.5-..., July 69.0-69.8, Oct. 70.5-72.0, Dec. 72.6-...

†Lard—Chicago loose 12 nom. (same). NY drummed 15 nom. (same).

††Maize—July 140-138½ (147½-147¾), Sept. 140¾-141½ (143½-143¾), Dec. 138¼-136, March 140¼-140½, May 143-142½.

‡Mercury—Sept. 300 (same), Dec. ... (same), March 300, May 300, July ..., Sept. 300, Dec. 300 settlements. Sales, ...

‡‡Silver—Spot 153.70 (154.60), July 153.40 (154.30), Aug. 155.60 (154.40), Sept. 156.00, Dec. 160.10, Jan. 161.20, March 163.60, May 166.00, July 168.40, Sept. 170.8... settlements. Sales, 1,924.

*Soyabeans—July 346-344¾ (342-341½), Aug. 344½-344½ (342¼-342¾), Sept. 342½-342, Nov. 334-334½, Jan. 337½-337¾, March 340, 340¼, May 343.

Soyabean Meal—July 87.65-87.50 (87.50), Aug. 87.70-87.75 (87.75-87.80), Sept. 86.85-86.55, Oct. 84.30-84.35, Nov. 83.70-83.80, Dec. 83.40-83.35, Jan. 83.15-83.20, March 84.00-84.10, May 84.50.

Soyabean Oil—July 14.80-14.76 (14.90), Aug. 14.52-14.51 (14.49-14.48), Sept. 14.17-14.15, Oct. 13.79-13.80, Nov. 13.44-13.47, Dec. 13.23-13.30, Jan. 13.17, March 13.07-13.06, May 12.92-12.91.

Sugar—Contract No. 11 Spot 4.17 (4.12), Sept. 4.26 (4.13), Oct. 4.26 (4.14), Jan. 4.37 nom., March 4.41, May 4.39, July 4.41, Sept. 4.39-4.40, Oct. 4.39-4.41. Sales, 1,062.

Tin—166.00 asked (same).

**Wheat—July 148½-148½ (151), Sept. 152¼-152½ (152¼-152¾), Dec. 156-156½, March 158, May 158¼-158½.

WINNIPEG, July 21—dRye—July 105⅝ bid (105 bid), Oct. 107¼ (106½ bid), Dec. 106⅝, May 109⅝ Old.

†Oats—July 76½ bid (same), Oct. 74¼ (74¼), Dec. 74¼, May 75½ asked.

‡Barley—July 118 (115¼), Oct. 115 asked (115¼), Dec. 115..., May 110½ bid.

dFlaxseed—July 243½ bid (241½ bid), Oct. 245½ (247 bid), Nov. 246½ asked, Dec. 248 bid, May 258 bid.

Wheat—Northern Manitoba No. 2 ... (153¼).

All cents per pound ex-warehouse unless otherwise stated. * Cents per 60-lb bushel ex-warehouse. † Chicago loose $'s per 100 lbs—Dept. of Ag. prices previous day. Drummed $'s per 10 lbs f.o.b. N.Y. ‡ $'s per 76-lb flask ex-warehouse. § Cents per 56-lb bushel ex-warehouse. ** Cents per 60-lb bushel in store. †† Cents per 56-lb bushel ex-warehouse, 5,000-bushel lots. ‡‡ Cents per troy ounce ex-warehouse. b $'s per short ton f.o.b. cars Decatur. c Cents per 48-lb bushel. d Cents per 56-lb bushel ex-warehouse, 1,000-bushel lots. §§ Basis Lubbock, Texas. φ New contract.

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American News

U.S. said to run record second quarter deficit

BY JUREK MARTIN

NEW YORK, July 21.

THE U.S. balance of payments deficit in the second quarter of this year reached record proportions, according to "world financial markets," the Morgan Guaranty publication that has the reputation of forecasting most accurately the U.S. payments picture.

The report, which is to be released to-morrow, estimates that the deficit, not seasonally adjusted, amounted to over $7,000m. in the April-June period when measured on the official settlement basis (compared with $5,400m. in the first quarter) and to $6,500m. on the now-discarded liquidity basis (up from $3,100m.). On the new "net liquidity" basis recently introduced by the Commerce Department, the deficit is reckoned to be about $6,250m. (up from $2,600m.). All figures exclude allocations of special drawing rights.

The deficit on the official settlements basis for the first half of this year—about $12,400m.—already exceeds the $10,700m. deficit for the whole of last year. Had it not been for the reflow of funds back to the U.S. in June after the latest currency crisis had eased, the situation would have been even worse, the report suggests. In April and May the official settlements deficit reached very close to $9,000m.: about $1,500m. of this was recouped in June.

Nevertheless, the report, not wishing to be the harbinger of total despondency, does maintain that "considerable improvement" could occur on the official settlements deficit over the rest of this year. This optimism is largely based on the assumption that the outflow of short term, interest rate sensitive capital funds, which contributed so much to the deficit in April and May and which was so very broadly based, "may have run its course."

Behind this assumption lies the report's expectation that interest rate differentials between the U.S. and Europe will continue to narrow, that U.S. banks will use the Eurodollar market less, and that U.S. companies will slow down their pace of direct investment overseas, largely because many of them have already used a large part of their allowable amounts for this year. Finally, it is expected that short-term funds will simply flow back to the U.S. if and when currency uncertainties are lessened.

On top of the outflow of short-term funds, the report also observes that the payments deficit was worsened by the continuing deterioration in the current account for goods and services and in the long-term capital account. In the first quarter of this year, these transactions together recorded a deficit of about $1,4000m. Though second quarter data is limited, the report estimates that this could have widened by another $1,000m. between April and June. In comparison, the average quarterly deficit last year amounted to less than $800m.

Again, the Morgan study looks for some improvement in the second half of the year, but nevertheless concludes that the current and long-term capital accounts deficit could easily come to $4.5-5,000m., compared with last year's $3,000m. Not surprisingly, the report concludes that the most striking development in this ledger is the worsening of the trade balance, a condition that has not, of course, escaped the attention of the U.S. Government. The Commerce Department has already announced that the trade surplus could decline by as much as $2,000m. this year. If it does, it will hardly leave a surplus at all since last year's balance was just $2,100m.

U.S. opposes 200-mile limit call

By Our Own Correspondent

GENEVA, July 21.

THE U.S. Government to-day vigorously opposed demands made by South American countries for a territorial sea limit of 200 miles.

Benefits from ocean floor mineral exploitation should be shared by all countries on the basis of a limit of 12 miles starting from the edge of the continental shelf, America declared.

Brazil and other South American countries, notably Argentina, made the 200-mile demand to the United Nations Seabed Committee, which is attempting to draft articles for a treaty governing international exploitation of ocean resources.

Mr. John Stevenson, the U.S. delegate, said an international seabed regime should be applied "to the broadest practicable area. This should be an area outside a territorial sea of 12 miles seaward of the point where the high seas reach a depth of 200 metres," Mr. Stevenson said.

At the same time, he said, coastal states should receive "carefully defined but substantial rights and functions" beyond this limit.

Vote to repeal Formosa resolution

WASHINGTON, July 21.

THE SENATE Foreign Relations Committee voted to-day to repeal a resolution of Congressional backing for use of U.S. forces to protect Taiwan. The so-called Formosa Resolution was approved by Congress in 1955 at a time of Peking's pressure on the islands off the Chinese mainland, including Taiwan (also known as Formosa) and the Pescadores.

Repeal of the Resolution was proposed by Senator Frank Church, and Charles Mathias, and adopted by the Commitee on a voice vote. The State Department took a neutral position on the question of repeal of the Resolution which gave no grant of actual power to the President but served to back his hand in dealing with a crisis.

The repeal was introduced more than a year ago at the same time as the start of an effort which culminated in repeal of the Glf of Tonkin resolution on Vietnam. The Committee Chairman, Senator J. William Fulbright told reporters the Committee action to-day was not directly related to President Nixon's planned visit to Peking, but conceded that the timing was not altogethr a coincidence, either.

UPI

Telephone men stay out

BY JUREK MARTIN

NEW YORK, July 21.

THE TELEPHONE strike in the U.S. has not ended as cleanly as had been hoped. While the majority of the union employees of the Bell System returned to work this morning after being away from their jobs for a week, a few state unions, most notably that in New York, have defied the directive of the national leadership and are continuing the strike in protest against the provisional settlement on a new three-year labour contract reached on Monday.

In New York, about 50,000 employees of American Telephone and Telegraph, mostly installers, maintenance men and linemen, have stayed out on strike. The principal quarrels with the national settlement centre on the special $9 a week cost of living bonus awarded to New York City employees, which is resented by up-state workers, and on what are considered inadequate improvements in pension and health programmes, to which both City and State workers have taken exception. There have also been reports of continued strikes at one or two other Bell companies.

If a few of the local unions remain out on strike, their actions could have considerable effect on the national union voting on the new contract that must take place between now and August 14. If ratification of the new contract is not forthcoming in this ballot then the leaders of the Communications Workers of America will have no alternative but to order a nation-wide strike again.

Packard's future in doubt after testimony on Lockheed

BY GUY DE JONQUIERES

WASHINGTON, July 21.

A SOMBRE shadow has been cast across the career of Mr. David Packard, the deputy Defence Secretary, provoking speculation that his future in the Nixon Administration may now be limited. This speculation has reached such a pitch that this morning the White House Press Secretary was prompted formally to deny that Mr. Packard had been asked to or was considering, offering his resignation.

Mr. Packard's position was put in doubt after he appeared before the House Banking Committee on Monday to testify on the proposal to grant $250m. in Government loan guarantees to the Lockheed Aircraft Corporation.

In his prepared statement, submitted to the committee in advance, Mr. Packard had some sharply critical things to say about Lockheed's management and the way in which it had handled Government defence contracts in the past.

He also made it clear that he opposed broad legislation that would set a precedent for making Government assistance available to other companies. Such legislation is now before the Senate and has won the support of Mr. John Connally, the Secretary of the Treasury, who has been acting as the Government's chief mediator and spokesman in the Lockheed dispute.

While Mr. Packard endorsed the principle of the loan guarantees for Lockheed, he did so without any signs of great enthusiasm and several of his remarks appeared to be distinctly at odds with the position that Mr. Connally has been taking.

Apparently in an attempt to avoid a clash, Mr. Packard asked for the controversial sections of his statement to be struck out before he appeared on Capitol Hill. But the committee chairman, Mr. Wright Patman, refused to allow this and insisted on reading them out himself.

Apparently anticipating that the row might lead to Mr. Packard's departure, no less than five Senators have made speeches praising him for his efficiency at his job and his candour with Congress. They said they hoped that the incident would not cause him to be forced out.

Mr. Packard is a multi-millionaire who gave up his job at the head of the Hewlett-Packard Machine Tool Company to join the Nixon Administration three years ago. He is known to be a loyal Republican and also contributed substantially to Mr. Nixon's campaign in 1968.

He has also earned a good deal of respect in his job at the Pentagon, where he has brought his business experience to bear in reforming the defence contracting procedures established by former Defence Secretary Mr Robert McNamara. There seems little doubt that if he were to resign, the Administration would be hard put to find a replacement who combined his qualities as a staunch Republican supporter and a capable administrator.

Uruguay's problems in LAFTA

BY OUR MONTEVIDEO CORRESPONDENT

For nearly two years now the Latin American Free Trade Associatio (LAFTA), which comprises the republics of South America, excep Guyana and Mexico, has been dying on its feet. The members hav been unable to agree on the tariff cuts that they were committed t introduce under the Treaty of Montevideo which established LAFTA

WHEN the members meet in the Montevideo headquarters of LAFTA in October, it will take great effort for all concerned to ensure that the Association does not move further toward break-up.

A key issue will be the future attitude of Uruguay. The Uruguayan Minister of Economy and Finance, Dr. Carlos Maria Fleitas, has in the past few months been threatening that his country will withdraw entirely from LAFTA if Uruguay does not get better terms from its partners. The disappearance of one member of the Association would be the most patent indication of LAFTA's failure and the other members who are anxious for it to continue will be doing their best to dissuade the Uruguayans from taking such a fateful step.

Deficit

But the trade statistics of the past few years provide powerful ammunition for those Uruguayans who want to sever their links with LAFTA and, at the same time, illustrate the difficulties which the less developed countries within LAFTA suffer at the hands of their bigger and more powerful colleagues.

Uruguay has run a deficit with the other members of LAFTA from the very beginning. In 1965, the best year from Uruguay's point of view, the country had a deficit with the rest of $16.5m. In 1960, the worst year, the deficit came to $50.6m. Last year, the second worst, Uruguay's exports to LAFTA came to $29.1m. but imports came to no less than $74.5m., a gap of more than $45m. Over the whole period of its membership, Uruguay has notched up an unfavourable balance of $374m.

Sr. Fleitas's interpretation of and explanation for these gloomy results is that "We are liberal in our administrative procedures, in the concessions that we give and in our way of negotiating. Many of our neighbours are liberal in none of these three matters." LAFTA had, according to him, become not an organisation for mutual advantage but a body in which everyone was trying to gain the maximum advantage.

If the Minister puts the blame on Uruguay's partners, there is no lack of criticism in Montevideo of the way the Uruguayan government itself has safeguarded, or failed to safeguard, the vital interests of the country within the Association.

A recent leader in the conservative Montevideo daily El Dia criticised the Government for having opened the doors wide to foreign exporters without ensuring that Uruguay obtained similar advantages, and for having been unwilling to apply the same controls on imports from LAFTA as it has applied on imports from other parts of the world.

This would have been bearable had Uruguay been able to place its own exports in other LAFTA countries and occupied some of industry's excess capacity. This, it is claimed by LAFTA's critics, has not happened.

It appears that the preferences granted to LAFTA partners have effectively resulted in a switching of trade, but a switching that has not always been to the country's advantage.

Flat and rolled steel products, which used traditionally to come from Europe, are now being imported from Argentina and Brazil 10, 20 or even 30 per cent. more expensively. Quality standards have also suffered. At the same time Uruguayan customs have lost on average some $7m. a year, an appreciable sum for a country of 3m. people.

The countries who have gained most from Uruguay's reduction of tariff barriers with LAFTA have been her two nearest and most powerful neighbours, Brazil and Argentina. Of last year's trade gap of $45m. with LAFTA, no less than $44.7m. was accounted for by Uruguay's trade with Brazil and Argentina, a very large figure if one remembers that Uruguay's combined imports and exports total no more than about $400m. a year.

Buffer

The Press has also lashed out at the Government for having given Brazil duty-free entry for coffee, cocoa, timber, bananas, yerba mate, tobacco and other items without getting anything significant in return.

Uruguayan negotiators have defended themselves by saying that Uruguay's trading relations with Brazil, Argentina and the rest of LAFTA were not very different in the 1950s, before LAFTA was ever set up. In the 10 years before LAFTA, Uruguay's unfavourable balance with the countries which subsequently joined the association came to $417m. as against the $374m. in the period 1960-70.

As a result, the debate has broadened into a polemic about Uruguay's overall econo[illegible] strategy with the Governme[illegible] critics calling for much [illegible] aggressive policies, especi[illegible] wards Argentina and Brazi[illegible] Government's critics [illegible] claimed that coffee, banar[illegible] timber and yerba mate could [illegible] bought more cheaply if Uru[illegible] started to shop round in Col[illegible] bia, Ecuador and Paraguay. T[illegible] also point out that countrie[illegible] far away as India can land s[illegible] raw materials cheaper in [illegible] levideo than the Brazilians [illegible] and that the quality of Euro[illegible] or North American eq[illegible] equipment is far better than [illegible] of LAFTA-produced items.

In deciding future policy [illegible] Uruguayans, like the o[illegible] smaller and poorer nations [illegible] LAFTA, Ecuador, Paraguay [illegible] Bolivia, must face the fact [illegible] their power of negotiation [illegible] leverage is limited. In the [illegible] the only sanction they can [illegible] tively use is that of quit[illegible] LAFTA entirely.

In Uruguay's case the situ[illegible] is complicated by the fact [illegible] she has traditionally bee[illegible] buffer state between [illegible] Brazilian and Argentine g[illegible] who have competed for influ[illegible] in Montevideo. If Uruguay [illegible] to do anything that disple[illegible] Brasilia or Buenos Aires [illegible] much, she would run the ri[illegible] losing a series of loans and [illegible] of credit that her two [illegible] neighbours have been pre[illegible] on her to gain her favours. [illegible] Uruguay's chronically [illegible] foreign reserve position, [illegible] availability of these credits [illegible] great importance to her.

Whatever the immed[illegible] attraction of leaving LAFT[illegible] Uruguayans will have to p[illegible] some hard thinking before ta[illegible] a final decision

House com mittee cuts off aid to Greece, Pakistan

BY GUY DE JONQUIERES

WASHINGTON, July

THE HOUSE foreign affairs committee to-day formally approved a foreign aid Bill which would cut off military assistance requested by President Nixon for Pakistan and Greece.

The Administration has already protested strongly at the committee's decision and is expected to mount a substantial lobbying campaign to have the cuts restored to the Bill when it reaches the floor of the House.

One clear sign of the seriousness with which the decision has been received is the announcement that Mr. Melvin Laird, the Secretary of Defence, and Mr. William Rogers, the Secretary of State, will personally appear before the Committee's sub-committee on Europe later this month.

The sub-committee is holding hearings on the military roles of Spain and Greece. Originally, officials of rather lower rank in the State and Defence Departments had been scheduled to appear.

The problem is doubly disconcerting for the Administration. In the first instance, an aid cut-off to Greece would be embarrassing, since Mr. Nixon decided to lift the selective embargo on heavy arms shipments there only a few months ago and considerable efforts have been made to strengthen links between Athens [illegible] Washington.

Secondly, the House fo[illegible] affairs committee, unlike [illegible] counterpart in the Senate [illegible] traditionally complied [illegible] closely with Administr[illegible] requests. There is obvious [illegible] cern that the House comm[illegible] may no longer be counted [illegible] fall in with Presidential thi[illegible] as in the past

Bahamas raise tax on oil, cigarettes and gambling

BY OUR OWN CORRESPONDENT

NASSAU, July 21.

THE BAHAMAS Government has introduced substantial increases in taxes on petroleum products. There are also bills before the legislature proposing increases in the taxes on cigarettes and casino operations.

The tax on gasoline has jumped from 15 to 20 cents per U.S. gallon while diesel oil is being taxed at the rate of 8.9 cents per gallon as opposed to the former 6.9 cents. Cigarettes, formerly taxed at the rate of 14 cents per 100, will under proposed legislation be taxed at the rate of 25 cents per 100.

Under existing laws each of the three gambling casinos in the Bahamas are required to pay an annual "basic tax" of $500,000. Gross winnings are taxed on a percentage basis with the first $5m. being tax free. The first, second and third millions in annual winning over $5m. are taxed at a rate of 10 per cent. The fourth and fifth million are taxed at a rate of 10 per cent. with winnings over the $10m. mark being subject to a 20 per cent. tax.

The new law, which if passed will become effective at the start of 1972, retains the $500,000 annual basic tax. But the first $5m. in gross winnings will no longer be tax free. A tax of 17 per cent. will be levied on all gross winnings up to $17m. going up to 20 per cent. for winnings over the $17m. mark.

Canadian trade surplus declines

BY OUR OWN CORRESPONDENT

OTTAWA, July 21.

CANADA'S merchandise trade surplus dropped 16.6 per cent. in June from the same month last year to $C202m. with exports up 6.3 per cent. and imports up 10.4 per cent. But the trade balance for the first half of this year at $1,197m. stayed within 3.9 per cent. of the figure a year ago.

Record imports in June totalled $C1,437m., up 10.4 per cent. Imports were up from the U.S., Japan and the Common Market countries but down from Commonwealth and preferential countries. Cumulative imports for the first half of this year reached $C7,535m., up 4.3 per cent. from last year.

The Canada Petroleum Association has told the National Energy Board that Canada has 7,600,000m. cubic feet of gas to spare for export. Present reserves of natural gas in Canada were placed at 61,000,000m. cubic feet. These estimates do not include gas reserves in the Canadian Arctic or off the East Coast. The Board is holding hearings to determine whether Canada has sufficient gas reserves to permit the approval of applications to export 2,700,000m. cubic feet to the U.S.

Meanwhile, Air Canada faces a second rotating strike of machinists and ground crew this afternoon. The first such strike came last week-end in Toronto, and dozens of domestic flights were cancelled. Negotiations are going on between the company and union officials with the assistance of three federal mediators, but no break was reported so far.

Kennedy wants to go to China

By Our Own Correspondent

OTTAWA, July 21.

FIVE U.S. Senators, including Edward Kennedy and Foreign Relations Committee chairman William Fulbright, have applied for visas to visit China at the Chinese Embassy here. The embassy is accepting applications from U.S. as well as Canadian citizens.

The applications have been forwarded to Peking. The embasssy declines to say how many applications for visas have been received altogether and how many were granted since it opened here earlier this year.

Export News

U.K. lands £10m Iranian power station order

BY DAVID CURRY, EXPORTS EDITOR

ENGLISH ELECTRIC-AEI Turhine Generators, a member of GEC Power Engineering, is to supply a complete 145 MW thermal power station, worth nearly £10m., to the Iran Power Generation and Transmission Company (Tavanir). The contract is supported hy British long-term credit backed by the Export Credits Guarantee Department.

Located near Ahwaz in the centre of the Iranian oilfield, the new station will meet current demands for power, consuming natural gas and mazout oil as primary fuels which are availahle from nearby production wells. The station design allows for future expansion to meet increasing industrial requirements for electricity in the area. It will take three years to build.

Ancillary

Electrical equipment to be supplied by GEC Group companies includes the generator transformer aod unit transformers, together with 6.3 kV distribution boards for the auxiliarles in the power statinn and low-voltage switchgear and multi-motor control centres. Control and protective relays are also included for control of the switchgear and generator.

The cables include all the major and auxiliary connections for power, control and communicetinns, ranging from 125V dc to the HV intercoonections while the maio generator connections will he of the phase-isolated air-cooled busbar type.

Ancillary plant covering, main steam pipework, water treatment plant and hoiler feed pumps, cooling water system, including forced draught cooling towers, will be supplied by other British companies. The civil engineering design will he carried ont by Bristol consultants, Parsons Brown and the civil works will be constructed hy Mahak Company of Tehran.

A loan covering the major portion of the contract is being made available to the Plan Organisation of the Imperial Covernment of Iran by Lazard Brothers and Co. acting on behalf of a syndicate of bankers comprising Barclays, Lloyds, Midland, National Westminster, The Royal Bank of Scotland and Williams and Glyn's.

The Ahwaz contract, together with two other recent power station orders, brings the comprehensive power projects handled by the division to over £50m. and 1,000 MW plant.

American finance for John Brown

By Andrew Hargrave, Scottish Correspondent

...E £3.75m. U.S. Export-Import ...nk loan to John Brown (Eogi...ering), of Clydebank, reported ... the later editions of yesterday's Financial Times, will ...ble the company to offer ...dit facilities to its customers ... industrial gas turbines on ... same terms as hefore.

"We have felt that it will be ...ier to finance the American ...tent of turbines through U.S. ...rces," said Mr. Graham ...achan, the managing director. ... hinted that there had been ...e difficulty in obtaining the ...essary cover from the Export ...dits Guarantee Department ... parts imported from the U.S. ...he turbines are manufactured ... Clydehank under a General ...ctric licence. The Export-...port Bank will provide half ... loao at 6 per cent. interest ... also cover for the rest from ... commercial sources.

...he company has a £20m. ...er book for turbines, all for ...ort.

Japan heads queue for British cloth

...AN was the biggest customer ... British woollen and worsted ...hs in the first five months of ... year. According to the ...onal Wool Textile Export ...poration woollens sold to ...n increased hy almost ...000 square yards to 1.77m. ...re yards and worsteds by ... 100,000 squere yards to ...n. square yards.

...erall, however, exports of ... hy the textile industry fell ...ng the same period ... ...ped hy 2.5m. square yards to ... yards aod worsteds by 2m. ...re yards to 7.77m. square ...s.

$12.7m. plan for U.S. expansion

RECKITT AND COLMAN has announced a $12.7m. expansion plan for its American subsidiary The R.T. French Company. The company is to close and sell its factory at Rochester, New York upon the completion of a new plant at Springfield, Missouri.

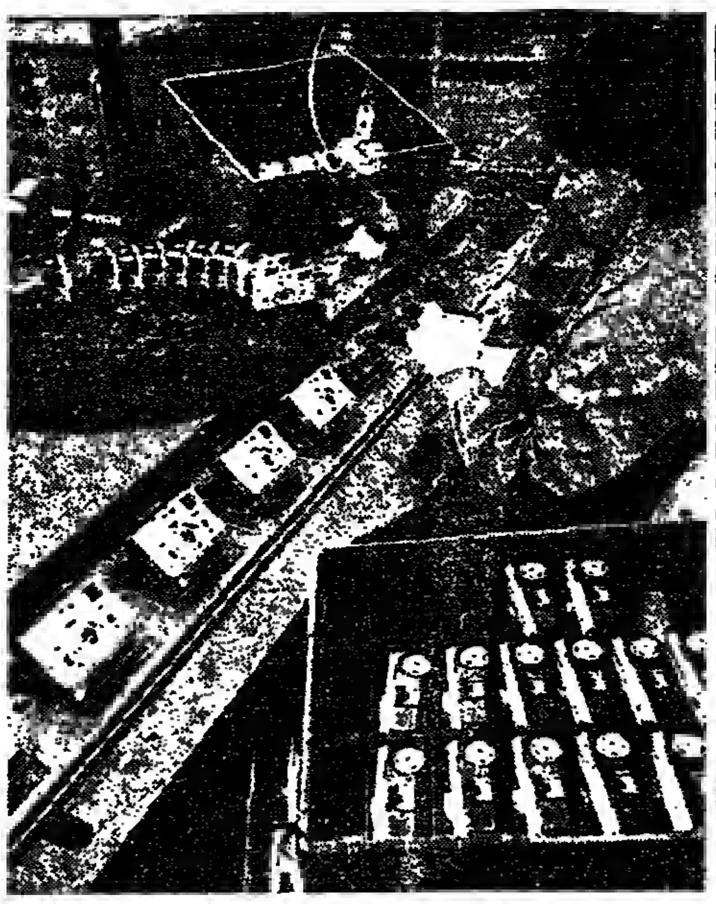
The move reflects the company's growing sales in the Middle West end Spriogfield gives easy access to major centres like St. Louis, Kansas City, and Dallas end will allow savings in freight and distribution costs.

Construction of the new plant will start in the New Year and should he finished before the end of 1973. The factory will produce mustard, packaged gravy and sauce mixes, herbs, extracts and industrial food ingredients for other food processors

The administrative and research centre of the company will remain at Rochester.

Machine tools

BRITAIN'S first machine tool exhibition in Russia opens to-day in Sokolniki Park, Moscow, where 43 U.K. machine tool and associated equipment manufacturers are showing products valued at over £1m. The exhibition has heen organised hy the Machine Tool Trades Association with Department of Trade and Industry support.



Instamatic cameras receiving the final once-over before leaving the Kodak factory in Stevenage. Designed for novices, 10m. have heen prodnced and earned some £10m. in overseas sales.

The Kodak way to instant success

BY DAVID CURRY

THIS WEEK the 10 millionth Instamatic still camera will come off the production line at the Kodak factory in Stevenage. In the eight years it has heen in production the Instamatic has earned almost £10m. in overseas sales.

The Instamatic was the first "idiot-proof" camera, designed for the amateur who wanted no greater labour than to point the spparatus in the right direction and press the catch. Before the Instamatic was introduced the Brownie 127 filled this role to some extent.

Cartridge

The basic novelty in the camera lies in the film cartridge with which it is loaded. The camera will only accept the cartridge if it is put in correctly. At the upper end of the price scale the Instamatic range incorporates automatic devices adjusting the camera to the conditions in which it is being used.

Receot refioements have heen the design of models to take the four-in-one flashcubes and the introductioo of flash without batteries using Magicubes.

World-wide the American Eastman Kodak group has made some 50m. Instamatic cameras. The success of the cameras made by the British offshoot earned it a special accolade from Mr. Michael Nohle, Minister for Trade, who sent a message to the company congratulating it on its foreign earnings.

The biggest market is EFTA followed hy the rest of Europe. Kodak also sells its cameras in Japan. Prices of Instamatic cameras in the popular range start at £2.80 and go up to the £25 mark.

Hovercraft sales start to take off

THE Southampton company Hovermarine Transport has sold a £120,000 HM2 Sidewall Hovercraft to the Ministry of Public Works in Belgium for hydrographic work on the River Scheldt.

This is the third Hovermarine success since its marketing operation got under way in May, and follows sales of two passenger versions of the Sidewall Hovercraft to Portogal.

The company said that it expected orders for two craft from Scandinavia. It commented that the hovercraft was beginning to score in overseas markets hecause of its lower capital and runoing costs and easier maintenaoce than conventional amphibians.

Full cash on shipment aid for exporters

BY DAVID CURRY

...lams and Clyn's Bank has ...thed a quasi-factoring operation to extend its range of export ...ce services. The bank is ...ing a cash on shipment plan ...eby the exporter will get ...total outstanding value of ... order when the goods are ...ed, rather than waiting ... all documentation is ...ete.

...e Bank undertakes responsi... for the financial aspects of ...ate and takes ont its own ... insurance cover.

...e scheme is intended essentially to apply to capital goods on terms of credit of two years or mnre.

Mr. Alan Moore, export finance manager, commented, "This new service will assist the cash flow of exporters of capital goods and will simplify the paperwork aspects of selling abroad.

"Although we are a clearing bank we have something of a merchant bank mentality towards financiog exports. We can combine the work of a clearing bank and that of a factor or confirming house."

The bank charges the normal clearing bank 7 per cent. export interest rate.

In the past 12 mnnths Williams and Glyn's has arranged export finance of mnre than £100m.

Uniformity unlikely in car HP terms

BY DAVID WALKER

LITTLE uniformity in the level of hire-purchase terms following the ending of Government controls in the mini-Budget seemed likely last night.

United Dominions Trust (Commercial), Britain's biggest instalment finance group, revealed that it was to insist on a minimum deposit of 25 per cent. on cars of up to three years old, with a 36-month repayment period, as its standard terms for motor business.

Previously, the minimum down-payment was 40 per cent., with a repayment period of two years.

Surprise decision

The UDT move is thought to be in line with the general thinking of members of the Finance Houses Association following the ending of terms control. It must lessen the likelihood of a return to the extremely low hire-purchase deposits of the late 1950s, when some companies asked for only 10 per cent. down and had some had experiences es a result.

At the same time, it follows the surprise decision of Western Credit, also a member of the Finance Houses Association, to allow a 20 per cent. deposit in deals involving new or nearly new cars.

Lombard also stated yesterday that it would offer credit on less than a 25 per cent. deposit, with each customer "treated separately."

Western Credit, in which Hambros Bank and Phoenix Assurance each have considerahle share interests, none the less stressed yesterday thet finance houses "must evoid getting into a state of euphoria over their new freedom.

"It was largely a lack of responsibility on the part of finance houses that caused the rash of had debts in the late '50s," it commented.

The company's 20 per cent. deposit scheme will apply to cars registered on or after January 1, 1970. The maximum repayment period is being set at 36 months. It means that s new Hillman Imp can be bought for only £136 down, whils e Morris Marina 1.8 TC (four-door) would require an initial deposit of £235.

Two- and three-year-old cars need a 25 per cent. deposit with a 36-month repayment period, while vehicles of between three end five yeers' age can be purchased over 30 months with a 30 per cent. deposit.

Prime mover

On cars of hetween three and five years old, UDT is setting similar conditions to Western Credit. Its terms are in line with the easier personal loan terms announced by most members of the Finance Houses' Association a month ago, and in which UDT is believed to have been a prime mover.

"We feel that business must be handled on a sensible and realistic basis in the interests of all concerned, not least the credit customer," Mr. John Gallacher, managing director of UDT (Commercial), commented last night.

"We welcome a competitive climate at long last, but intend to maintain very high standards in the eceptance of business."

3 months' advance for most TVs

BY ARTHUR SANDLES

IT BEGAN to be clear last night that three months' rent in advance would he the norm for television rental in future. This means a deposit of aronnd £20 for a colour set and about £7 for monochrome equipment.

Companies are also exploring the possibility of reintroducing sliding scale agreements—the older the set the lower the rentals. At the moment rents are fairly even for the first three or four years of use.

Drastic change

Mr. John Goodwin, of the National Television Rental Association, said last night that the changes in Mr. Barher's mini-budget, "have produced a pretty drastic change in trading conditions. Most companies will still want a down-payment although there might be one or two who won't. We think there will be a rush for sets."

Thorn, which has at least half the TV rental husiness in Britain, is introducing a 13-week deposit scheme.

The British Radio Equipment Manufacturers Association has confirmed that colour television sets are flowing into retailers and rental company hands in ever increasing numbers. Some 278,000 sets were delivered to the U.K. market in the first six months of this year compared with 191,000 in the first half of 1970.

Monochrome deliveries declined in the same period. First six-month totals for 1971 and 1970 were 666,000 and 789,000 respectively.

Radio disposals

Radio disposals for the half yeer were 323,000 compared with 342,000 in the first half of last year. Radiogram disposals remained steady.

The biggest selling period for both radio and television is the second half of the year. With imports sales the U.K. colour television market could well reach 900,000 this year. U.K. manufacturers would have soms difficulty in producing many more than 800,000.

Carr: Slower pay rises rate upholds Government strategy

BY WILLIAM KEEGAN, ECONOMICS CORRESPONDENT

ALTHOUGH wage rates ere still running at over 13 per cent. above the levels of a year ago, the rate of increase has slowed down in the last six months. This is the basis of a claim hy Mr. Robert Carr, the Employment Secretary, yesterday that the Government's pay strategy has "not been as unsuccessful as many people believe."

There is every indication, however, that Whitehall is resigned to the prospect of an interval of several months hefore the Confederation of British Industry's initiative on voluntary price restraint produces a concrete response from the unions in wage negotiations.

Yesterday the Department of Employment published statistics showing that basic weekly and hourly wage rates had risen hy nearly 1 per cent. between May and June, and that these rates were running respectively 13.2 per cent. and 13.5 per cent. above the levels of a year earlier.

Also published yesterday was the seasonally-adjusted index for average earnings in May, which showed a 1.9 per cent. rise from April's level and was 12.2 per cent. above May 1970. (The index, whose new base is January 1970 =100, stands at 117.6).

The comparison cited by Mr. Carr is of wage rates in the first six months of 1971 taken together. These were 4.9 per cent. above the level of the second half of 1970, which in turn had been 8.1 per cent. above the first half of 1970 (not seasonally adjusted).

It is also understood that the Government is placing some faith in internal Whitehall statistics showing that the average size of wage settlements becoming effective in the second quarter of this year was 9.5 per cent. against 12 per cent. in the first quarter and more than 12 per cent. in the last quarter of 1970.

This has occurred against a background of rapidly rising unemployment and lower overtime, trends which have weakened the bands of union negotiators but which Mr. Barber's latest reflationary package is designed to check.

Output prices up

One of the main worries in Whitehall is that with so much of the Chancellor's strategy depending on a favourable response by the unions to the CBI's prices initiative, for the next few months the cost-of-living index is still expected to show high annual rates of increase.

Figures published by the Department of Trade and Industry to-day show that output prices continued to rise strongly in June. The provisional index for the prices of home sales of manufactured products averaged 2 per cent. more in April-June than in the first quarter, and in June it was 8¼ per cent. higher than a year ago.

The rapid rise in wholesale prices has not yet been fully reflected in retail prices, and on top of that the sensitive area of U.K. food prices over the next couple of months is likely to be affected by the continuing high levels of world food prices.

There is the further point that, however quickly the CBI's initiative can have an effect on price increases, there will be a considerable time-lag before this shows up in what is now one of the key statistics in wage negotiations—the percentage increase in retail prices over the preceding 12 months.

Secretaries' wage rise 'only 25p in second quarter'

BY ELSBETH GANGUIN

WEEKLY WAGES for secretaries aod short-hand-typists rose by only 25p during the second quarter of the year, compared with 75p in the first three months, according to the latest salary survey by the Alfred Marks Bureau, published yesterday.

All the same, "particularly acute" shortages are reported, and, "notwithstanding mounting general unemployment, it is doubtful whether eny qualified shorthand-typist is without a job almost anywhere in the country."

During the quarter, audio-typists in the lower age brackets managed to get 50p a week more, while older audio-staff did not gain any increases. The Bureau claims that while there is a continuing shortage of experienced audio-typists for temporary work, there is no significant rise in demand for permaoent sudio staff.

Younger typists pushed their wages up by 75p (against the 25p they got in the preceding quarter), and older typists received 50p more, as did the younger receptionists. Here again, the older women fared worse—they had no increases at all during the first three months of the year, and only 25p this time.

Machine operators are said to be in great demand—to operate new office machines. Wages went up by 75p for the younger, and by 50p for the older operators. Female clerks also got 50p more than in the preceding quarter.

According to the survey, Central London secretaries and shorthand-typists eged 21 and over now earn between £21 and £25.25 a week. Audio-typists in the same age group earn from £19 to £22.25; typists get £17.25 to £20.25; receptionists and telephonists £17.25 to £20; machine operators £18.75 to £22.50; female clerks £17 to £21.75, and male clerks £19.75 to £25.25.

Provincial wages are still much lower. "For older secretaries and shorthand-typists, differentials between Central London and local salaries vary from £4.50 in Manchester, where girls earned £18.75 (the highest-paid area outside London) and £6.75 for the broad band of towns and cities at the foot of the league."

The survey takes a special look at the abilities and attitudes found in some leading secretaries, earning from £1,525 a year to £4,000.

It concludes that, "there is no doubt in anyone's mind as to who is the boss—in every case the man in the executive chair reigns supreme. His secretary sees herself as an esseotial aide — but never as a usurper."

Time off the price of too much overtime

PEOPLE who work a lot of overtime tend to take more time off, according to a survey published yesterday. The survey's findings, based on investigation into sick leave taken with and without medical certificates in an unnamed light engineering factory in Britain, are reported in the current issue of Occupational Psychology, journal of the National Institute of Industrial Psychology.

The survey confirms earlier findings in industry that there is usually more uncertified absence on a shift starting at 6 a.m. than one starting at 2 p.m.

It urges further study to find out how far overtime and absence "balance each other" and whether people who work a lot of overtime become tired and ill or simply feel they "can afford to take time off."

NUT calls pay rise inadequate

THE executive of the National Union of Teachers reacted strongly last night to the 10 per cent. pay rise for teachers awarded on Tuesday under arhitration and the decision in fevour of a "new look" for teachers' pay scales in line with management proposals.

A special meeting in London of the 44-strong executive decided to summon a special salaries confereoce of the 262,000-strong union in September or October to thrash out e new salaries policy in time for the next round in the salaries fight. The new award lasts until April next year.

The executive was particularly disappointed with the arbitration body's decision to reject the teachers' own pay proposals for a basic scale for all teachers with extra ellowances for posts of special responsibility.

The executive went on to pass a further resolution complaining that the 10 per cent. rise is totally inadequate and represents for teachers a worsening in their standard of living.

The meeting was on the eve of to-day's meeting of the full Burnham negotiating committee to discuss the arbitration award and how to incorporate it into a new Burnham report covering teachers' pay.

Applications for the Queen's Award

THE CLOSING DATE for receipt of applications for The Queen's Award to Industry, 1972, is October 31, but companies are asked to submit their applications, on this year's official forms, as early as they can before this date. Forms and guidance notes may be obtained from 1, Victoria Street, S.W.

The scheme was instituted in 1965, and is made to "industrial units" and not to individuals. Any organisation in the U.K., Channel Islands or Isle of Man producing goods or services is eligible to apply to the extent that it carries out activities which meet ths Award criteria.

The Awards are announced on the Queen's actual birthday, April 21. They are held for five years with entitlement during that period to use the emblem of the Award in a variety of ways.

Independent university still uncertain

By Michael Dixon

AFTER two and a-half years of planning, the idea of an Independent University free from State financing is still not sure of becoming a reality.

Sir Sydney Caine, chairman of the planning board, said in Loodon yesterday that the next stsge in the project would be a feasibility study. The final decision on whether or not to go ahead would probably be reached by next Easter.

The planners are discussing several sites with local authorities, including a 60-acre area at Buckingham. They have also appointed a shadow vice-chancellor.

He is Dr. Brian Thwaites (47), former professor of mathematics at Southampton and now principal of London University's Westfield College.

New opposition to Foulness

A NEW association was formed yesterday to fight the siting of London's third airport at Foulness.

The Defenders of Essex, who expect a membership of thousands, will try to persuade the Government to alter its "lamentable" decision to build the airport on the Essex coast.

The chairman, Mr. Derek Wood, a local councillor who lives in a village near the proposed airport site, claimed at a Press conference that an airport at Foulness would be too expensive to build, too far from its main markets and would not improve the environment.

U.K. ECONOMIC INDICATORS

General	Unit	1971 June	1971 May	1971 Apr.	1970 June	1970 May
Unemployment¶	'000s	725	755	774	547	617
Unfilled vacan's¶	'000s	198	186	185	295	279
Bank advances ...	£m.	5,719	5,765	5,831	5,630	5,663
Gold reserves ...	£m.	1,508	1,468	1,425	1,163	1,153
Wage rates	Jan.'56=100	220.7	218.6	215.3	194.6	193.6

	Unit	1971 May	1971 Apr.	1971 Mar.	1970 May	1970 Apr.
Basic materials and fuel prices††	1963=100	136.6	137.1	132.2	129.3	130.4
Retail prices	Jan.'62=100	153.2	152.2	149.0	139.5	139.1
Retail sales val.**	1966=100	133.0	131.3	127.5	121.5	118.8
H.P. Debt¶	£m.	1,397	1,382	1,361	1,304	1,287
Terms of trade ...	1961=100	108	107	109	101	101
Industl. output**	1963=100	124.6	126.5	122.7	122.1	124.6

Trade and Industry	Unit	1971 June	1971 May	1971 Jan.-June	1970 June	1970 Jan.-June
Imports f.o.b.**...	£m.	739	707	707	679	644
Exports f.o.b.**...	£m.	778	733	708	666	648
Visible trade belance**	£m.	+39	+26	+1	−12	+4

	Unit	1971 May	1971 Apr.	1971 Jan.-May	1970 May	1970 Jan.-May
Steel (wkly. av.)*	'000 tons	427.9	490.5	485.8	515.2	541.4
TV sets†	'000s	139	132	158	162	163
Radios, r/grms.†‖	'000s	57	63	69	75	72

	Unit	1971 May	1971 Apr.	1971 Jan.-May	1970 May	1970 Jan.-May
Cars*	'000s	156.2	138.2	145.4	137.8	142.2
Comm. vehicles*	'000s	44.79	39.17	39.08	41.54	39.22
Man-made fibres*	m. lbs	116.6	112.4	115.1	113.8	110.7
Cat'ring turnover	1964=100	150	146	146	146	123
Mtr. trd. turnover	1967=100	151	145	142	131	125
Engin. and Elec. (orders on hand)	Dec.'63=100	115	117	119	119	119
Hosiery*	1963=100**	165	153	151	151	150

	Unit	1971 Apr.	1971 Mar.	1971 Jan.-Apr.	1970 Apr.	1970 Jan.-Apr.
Cement (weekly average)*	'000 tons	355	333	311	322	286
Houses compl't'd¶	'000s	26.7	31.9	27.2	27.1	26.8
Furniture†	1963=100	124	135	138	121	114
Bricks¶*	millions	533	578	523	551	499
Raw wools§	m. kilos	12.2	13.7	12.4	14.8	14.3
Electric cookers†	'000s	76.3	84.4	76.5	60.1	64.0
Washing mchns.†	'000s	50.3	83.8	60.7	44.2	57.5
Petroleum†	m. tons	7.82	8.94	8.47	8.08	8.27

	Unit	1971 Mar.	1971 Feb.	1971 Jan.-Mar.	1970 Mar.	1970 Jan.-Mar.
Raw cotton (weekly av.)§ ...	'000 tons	3.23	3.32	3.30	3.24	3.37
Made-up clothing (ord'rs on h'nd)**	Dec.'62=100	165	160	164	152	146
Textiles (orders on hand)**	Dec.'62=100	119	120	120	133	134

	Unit	1971 1st qtr.	1970 4th qtr.	1970 1st qtr.	1970 Year	1969 Year
Factory approvals	m. sq. ft.	18.2	20.4	22.8	88.4	102.9
Consumer spending**	£m. 1963 values	5,835	5,908	5,720	23,342	22,629
Machine tools† ...	£m	55.0	50.0	50.5	198.7	171.9

	Unit	1970 4th qtr.	1970 3rd qtr.	1970 Year	1969 4th qtr.	1969 Year
Building and civil engineering* ...	£m.	1,262	1,315	4,950	1,203	4,697
Plastics*	'000 tons	375.3	356.7	1,463.1	384.7	1,329.0

* Production. † Deliveries. ‡ Net sales. § Consumption. ¶ Great Britain, not seasonally adjusted. ** Seasonally adjusted. †† All non-food manufacturing industries. ‖ Excluding car radios.

NOTE—Foreign Trade figures are seasonally adjusted.

European News

Ertl hits at EEC farm policy

By Christopher Lorenz

FRANKFURT, July 21.

ONLY JUST back from the inconclusive talks in Brussels with his Common Market colleagues, West Germany's Agriculture Minister to-day severly criticised the EEC's common agricultural arrangements.

Speaking on the radio network of his home state, Bavaria, Herr Josef Ertl said the Common Agricultural market bad created the present "miserable" farm situation. He said be had always had doubts about the effectiveness and political practicality of the agricultural part of the Treaty of Rome.

This did not mean be was against European unity, but rather that the original construction of the Common Market in farm products was too obviously based on wishful thinking by the politicians then in power in France and Germany.

Herr Ertl seems to have been referring here to the basic agreement between Paris and Bonn that the new Commnnity would benefit France agriculturally and Germany industrially.

The Common Agricultural market sbould not stand still because prices were integrated and agricultural structures partially unified, Herr Ertl maintained. Harmonisation of the different legal, administrative, tax and support regulations was urgently necessary, as was economic and monetary union.

If the present agricultnral difficulties sbould become permanent it would be ahsolutely necessary fnr the EEC member states to look for new solutions, he continued. For this tbe Commission's construction co-operation was necessary and pointers jn tbe rigbt direction were already apparent in Brussels, Herr Ertl said.

In an interview to be published to-morrow the Minister said that it was probably still impossihle to talk to France about a revision of the Common agricultural policy, hut that a revaluation of the franc would create a completely new situation. Herr Ertl said nothing about the likelihood of such a development, tying his remarks directly to "rumonrs in the Press."

Turkish leader hits back at Makarios

NICOSIA, July 21.

TURKISH-CYPRIOT leader Dr. Fazll Kutchuk to-day accused the Greek-Cypriots of trying to create an artificial crisis on the eve of September's General Assembly meeting.

Dr. Kutchuck was referring to a speecb by President Makarios yesterday at the village of Marathovouno, near Nicosia, in which he said the Government would take protective measures to guard the Greek-Cypriot villagers against alleged harassment by Turkisb-Cypriots oearhy.

For aeveral months the Greek Cypriots have complained that Turkisb-Cypriots were preventing tbem from going freely to their fields in Turkish-controlled areas. Dr. Kutchuk ln a statement to-day claimed the Greeks were ignoring existing agreements, supervised by the United Nations peace force, for sowing and harvesting crops in areas where the two communities are in confrontation.

Reuter

SHARP RISES IN JAPAN'S CAR SALES

By Our Own Correspondent

THE HAGUE, July 21.

Sharp rises in the sales of Japanese cars were the most remarkable feature of the Dutcb passenger car market in the first balf of this year. Toyota more than doubled its market share to 2.6 per cent., compared with the first balf of 1970, and now occupies eleventh place, immediately followed by Datsun, with a market sbare of 1.4 per cent.

The total number of cars sold in Holland in January-June of this year was 239,800, an increase of 4.5 per cent. over tbe first half of last year.

Bundesbank shakes exchanges into hectic activity

BY CHRISTOPHER LORENZ

FRANKFURT, July 21.

THE West German foreign exchanges were shaken into hectic activity this afternooo by a clear declaration from Dr. Karl Klaseo, the Bundesbank President, that Germany's Common Market partners were no looger insisting that wben tbe D-Mark stopped floating it should return to the old parity of DM3.66 to the dollar.

Dr. Klasen's declaration was made at a Press conference after the latest meeting of tbe Bundesbank Council. The markets were also stroogly influenced by his statement that the hank wonld he bappy to sell a furtber DM.10,000m. worth of dollars. There was a caveat attacbed, namely that he would not he sad if this did not bappeo, hot the market concluded that the D-Mark would float well above its present level before being followed hy a definite revaluation.

In fact, the Government's position is still tbat the rate at whicb the D-Mark is finally pegged depends on the domestic economic situation at the time. This was indicated to-day in Frankfurt by Dr. Klasen and in Bonn by Herr Wilbelm Hankel, head of the Money and Credit Section of the Economics and Finance Ministry.

Annnuncing the details of legislation under which German companies borrowing abroad will have to make minimum reserve-type deposits with the Bundesbank. Herr Hankel said it was too early to speculate about wbat would bappen after the finat. This would only become apparent after the IMF meeting in September, he sald.

Dealers' expectations of a Bundeshank-sponsored strengthening of the D-Mark were fulfilled this afternoon. After a two-day pause, the Bundesbank returned to tbe fray and off-loaded about $150m. at rates at or slightly ahove DM3.470, wbicb is equivalent to a revaluation of about 5.6 per cent. and is the bank's lowest-ever selling rate.

Up to to-day, the Press was told hy Dr. Otmar Emminger, the Bundesbaok's vice-president, the baok has sold the dollar equivalent of DM13,700m., and has taken in the equivalent of DM6,600m., as three-month deals fell due. A furtber DM3,100m. worth is due to be delivered hy the beginning of next month.

Dr. Klasen made it qulte clear that the hank did not intend to stop dollar sales wben the three-months deliveries come to an end within tbe next fortnight, adding tbat the bank was satisfied with tbe progress of its foreign exchange dealings.

The bank's directors refuted reports that many of the dollars they bave been selling this month bave been going into tbe reserves of the Banque de France, by noting that there was a sizeable inflow to France even when tbey themaelves made no sales at all.

From Paris, Adrian Dicks writes: After a sbort-lived recovery yesterday, the dollar was hack on its floor against the French franc. Dealings fluctuated between Frs.5.5135 and Frs.5.5125—the Central Bank's intervention rate.

Soviet troops barred from crossing Romania

BY MICHAEL SIMMONS, EAST EUROPEAN CORRESPONDENT

ROMANIA'S determination to remain independent within Comecon and the Warsaw Pact will be severely strained in the next few weeks. This strain may well become apparent next Tuesday, when Comecon opens its 25th Council session in Bucharest, but will he sharply underlined when the Warsaw Pact holds exercises in Bulgaria next month.

It is understood that the Romanians have made it plain to the Warsaw Pact authorities in Moscow that Soviet troops will not he allowed passage through Romania to the exercise rendezvous in south-east Bulgaria. This refusal has of course angered the Russians, though they are keeping quiet on the suhject.

The Romanian gesture is consistent with past demands that Warsaw Pact exercises should not he beld on Romanian soil, and its frequent refusals to take part in these exercises. It will send only observers to the Bulgarian exercise. Soviet troops bound for Bulgaria, if they do not go through Romania, will almost certainly have to go hy sea or air. They wonld definitely not go round Romania on land, since this would mean crossing Yugoslav soil.

The choice of Bucharest for the Comecon meeting is significant in the light of Romania's recent differences with this organisation. The chief aim of the meeting is to give a further "impetus to integration," something that the Romanians have been questioning ever since Comecon was formed.

Support for China's UN admission

By Michael Simmons

A COPY of the Soviet Government's letter to U Thant, Secretary-General of the United Nations, affirming support for Cbina's admission to this organisation and opposing the holding of an international conference on Indo-China, was handed to Sir Alec Douglas-Home, the Foreign Secretary, in London yesterday hy the Soviet Amhassador to Britain, Mr. Mikhail Smirnovsky.

Though the letter was dated July 13—preceding hy two days President Nixon's announcement that be was going to Peking—the puhlicity being given to it is being carefully orchestrated hy the Russians.

Get tough demands will follow Irish bank raids

BY DOMINICK J. COYLE

DUBLIN, July 21.

ARMED RAIDS to-day on two banks in the Donegal seaside resort of Buncrana are certain to lead to further demands on the Government to control tbe activities of militant Republicans. Local police say armed men got away with £2,700 from the raids, on branches of the Royal and the Hibernian banks on opposite sides of the same street.

Banks in the Irish Republic bave been a frequent target for raids hy militant Republicans in search of funds in the past few years, and many bank hranches have a regular police guard during normal opening bours.

Fine Gael, tbe main opposition party in the Dail, bas already called on the Government to curb the activities of illegal organisations, but the Minister for Justice, Mr. Desmond O'Malley, bas replied that all existiog legislative authority is being used against the IRA and other sucb extremist groups.

However, the Government is known to be concerned about the freedom of movement whicb militant Republicans still enjoy inclnding tbeir use of military-style uniforms, and may introduce new legislation.

But it bas denied reports that internment without trial is under consideration as a means of combating the illegal activities of Republicans. It is felt in official circles bere that such a decision by the Dublin Government would he seen as a "green light" to the Northern Ireland authorities to do likewise.

Gaullists suspend deputy

PARIS, July 21.

A MEMBER of the National Assembly was suspended to-day from tbe ruling UDR Gaullist Party after being charged with fraud in connection with a financial affair involving one of France's biggest property investment groups.

The UDR said that it had suspended M. André Rives-Henrys, a former aide of Prime Minister M. Jacques Chaban-Delmas, because of the way in which confusion had arisen between his private activities and his membership of the Gaullist Party.

M. Rives-Henrys who will continue to sit in the National Assembly as ao independent, is one of 10 people connected with the "Garantie Foncière" property group wbo have been charged with fraud, breach of trust and complicity in misusing savers' funds. He would remain suspended until tbe outcome was known of the proceedings against him, said a UDR statement.

The 54-year-old depnty is a former president of the company that manages the "Garantie Foncière" gronp, which has a capital of Frs.205m. (£15.4m.) and has attracted money from 15,000 investors.

Reuter

FRENCH AIRPORTS WORK TO RULE

By Our Own Correspondent

PARIS, July 21.

FRENCH AIR traffic controllers are to work to rule for 48 bours from Friday this week. The move will mean long delays on flights leaving all French airports.

BONN

Building boom on the Adenauer Allee

BY A CORRESPONDENT IN BONN

BONN is still struggling with the consequences of being chosen as a capital city not hecause it was suited to such a role, but hecause it was obviously so unsuitable. The motive in choosing Bonn was to underline the provisional character of the seat of Government of the new Federal Republic. It was intended as a make-shift, pending a return to the old capital of the Reich, Berlin. The idea that Bonn, the epitome of provinciality, could ever be regarded as a permanent capital was laughable.

Level crossing in Bonn: more often shut than open.

For nearly 20 years the development of the town, carried out piecemeal with no overall plan, was governed by the belief that one day the country would be re-unified, causing a vast migration from the Rhine to the Spree. Perhaps not many people believed it deep down, but the great majority thought it disloyal or politically inept to voice their doubts.

To-day the Western Allies are trying to reach an agreement with the Russians on Berlin that is based on the city's present status. The Federal German Government has acknowledged the existence of two German states. And Bonn has long since given up the pretence of being a temporary capital. The town is a building site, stuffed with cranes, bulldozers and pile-drivers, but interspersed with pleasant oases of soporific Rhenish calm. This process of becoming a big city began in earnest a couple of years ago when Bonn incorporated its neighbours, Bad Godesberg to the south and Beuel across the river, not to mention many other local authorities that had lost the fight for independence.

Civic pride

The population went up from 133,000 to 300,000—citizens of Greater Bonn, a disjointed administrative unit stretching along both sides of the Rhine and spilling out far into its hinterland. In the 1970s DM2,000m. (£228m.) is being spent on Bonn's development, and most of this mooey is being provided by the Federal Government. By 1979, it is boped, the town will he in a position to he host to the Federal Flower Show, a cause indeed for civic pride.

Flanked on the West by the Venusberg and on the East by the Rhine, Bonn has a wasp-waisted figure. This characteristic is accentuated by the fact that the town is divided from North to South hy the busiest stretch of railway in the country, coping with more than 300 trains a day. This has major disadvantages for the road users of the capital, since they are constanty beld up at level crossings which seem to be shut for more time than they are open.

Over the years many suggestions have been made for solving the problem. One idea was to re-route the railway around the town, but this was abandoned because it was considered to be an advantage that the main station should continue to be situated in the town centre. Somebody else suggested that the track should be placed on stilts above the town, hut apart from the practical prohlems involved, this method was thought to he too unsightly. Kaiser Wilhelm in person is said to have turned the idea down the first time it was put forward.

The most likely solution is that the track will be put below ground. The town council recently held a competition in which civil engineering firms were asked to submit plans, and the first prize winner put forward a scheme for sinking the railway stretch by stretch in such a way as to cause little interference with rail traffic. But it will he a long time before this plan, if finally approved, is put into operation.

In the meantime part of the tram route between Bonn and Bad Godesberg is being put below ground. It is situated beneath a broad avenue known as the Adenauer Allee which links Bonn with the Government area between Bonn and Bad Godesberg. It is planned to develop this area by bringing many more Government buildings into it, but it is not intended that it should become a sort of Rhineland Whitehall that dies after half past five in the evening.

Already a skyscraper, Bonn Centre, with hotel, restaurants, pubs, shops and skittle-alley, towers above the Chancellor's office, the Palais Schaumburg, across the road. The plan is to make the area administrative and residential. Some town planners wanted the Government area to be made into the focal point of Greater Bonn, but the local authority has accepted the fact that Bonn will always be a town with two poles, those of old Bonn and Bad Godesberg.

Between the two there is still a no-man's land, which Godesberg, in its independent days, steadfastly ignored as a possible development area. Critics say that Godesberg maintained this wilderness deliberately to disprove the theory that the towns were naturally joined. Local rivalries continue in the new combined council, so that there is often greater affinity between Godesberg councillors of different political parties tha[n] between members of the sam[e] party from Bonn and Godesber[g].

The no-man's land beside th[e] Rhine is to be a recreational are[a], a mile or more of parkland. [A] new Rhine bridge, known as th[e] South Bridge, is being built [at] this point and will he in oper[a]tion next year. This will p[er]suade many more people to li[ve] on the right bank of the river, [at] the foot of (or beyond) th[e] Siebengebirge. At present the[re] is no road bridge across th[e] Rhine between the Kenne[dy] Bridge in the centre of Bonn a[nd] Coblenz, some 30 miles to t[he] South.

High Street

Ever since Bonn became t[he] provisional capital the price [of] building land has been ris[ing] steadily. Smallholders who s[old] their plots of land are n[ow] wealthy men, some of the[m] Deutschmark millionaires. [In] one part of Godesberg, with [a] view of the Siebengebirge, la[nd] was selling in 1948 for 50 pf[en]nigs a square metre. It is n[ow] fetching between DM180 a[nd] DM200. One old man, who h[ad] not previously been farther th[an] Cologne, sold a couple of plots [of] land and flew off to Japan for [a] month to study the cultivat[ion] of orchids.

In spite of the building boo[m] the development plans, [the] diplomats, the Eros Centre [and] the striptease joints, Bonn s[till] has some way to go to becom[e a] Weltstadt. Its suburbs ret[ain] their village character. T[he] timbered houses are still the[re] and every High Street has [a] baker. The male voice ch[oirs] are going strong, the shoot[ing] matches and the forest festiv[als] flourish. The other day, [a] Japanese colleague told me w[ith] a laugh that he had been as[ked] by a German journalist who [was] going to work in Tokyo if [he] could recommend a pleas[ant] woodland area there within e[asy] reach of the Japanese capi[tal]. Bonn may have its level cro[ss]ings, but it has advantages, to[o].

PARLIAMENT

MPs call for a television council

By Justin Long, Parliamentary Correspondent

...ADICAL NEW controls over the ...BC's presentation of current ...airs were urged by MPs in the ...mmons yesterday.

In the light of the recent ...cussions of political bias in ...e BBC, Mr. Christopher Chata-...ay, Minister of Posts and Tele-...mmunications, was pressed ...om both sides of the House for ...anges in the system of control ...at would safeguard objectivity ... presentation. In particular, ... establishment of a broadcast-... council on similar lines to the ...ess Council, was warmly ...vocated.

...ood number

Mr. Chataway said he had ...ked at a number of suggestions ...ich had been put forward to ...n under the title of broadcast-... council. It covered a wide ...iety of ideas. Making clear ...t he had doubts about the ...dom of adopting such a system ... the BBC, he said he was pre-...ed to consider the proposals. ...iews put forward in the Press, ...d pointed out some of the ...ential differences between ...wspapers and broadcasting, ...hich makes the Press Council ... a good model to follow," ...d the Minister during ...estion-time exchanges on the ...e.

"I believe what a good number ...MPs are asking for is a radi-... change in the system so that ... BBC governors would no ...ger have the twin functions ...both managing and answering ...the public. There are argu-...nts on both sides of that ...position."

When the Labour side's ...evances against the recent ... programme, "Yesterday's ...," were again raised, Mr. ...taway told the House that he ... not saying that the present ...em of broadcasting as sacro-...ct. For 50 years it had been ... to be a good arrangement ... the BBC governors as ...tees of the public should have ... responsibility for overseeing ...gramme production and safe-...rding the public interest.

"If I were to separate these ...functions one would move to ...stem nearer to that practised ...he ITA. It will be seen there ...disadvantages and advantages ... both these systems," the ...ister maintained.

From the Tory side came the ...gestion that the Press Council ...f might be invited to oversee ...ent affairs programmes on ...vision and radio. But the ...ister considered there was a ...rent job existing in relation ...broadcasting. He did not ...eve the Press Council would ...itself able to do it.

From the Labour front bench ...was urged to examine alter-...ve methods of evolving a ...m under which the BBC ...rnors were not the judges ...omplaints about bias.

...ok again

... Chataway said he would ...inly give careful considera-... to any suggestions put to ... But what was suggested ...a very radical restructuring ...roadcasting, and if one were ...hieve the objectives put for-... it would mean extending ...ange of a body like the ITA ...over the BBC as well. He ...d be surprised if the House ...ed this.

...ked if he would look at the ...r again and report to the ...e, the Minister said he would ...ive an undertaking of that ... "But I will consider all ...uggestions put forward," he ...ated.

...er, complaints about the ...s treatment of politicians in ...rammes were raised with ...William Whitelaw, Leader of ...House. Not only the Labour ... but a Tory Minister had ...suffered, it was contended. ... Whitelaw indicated that he ...passed on to the BBC a letter ...rning the latter complaint ... he had received from Mr. ...rt Carr, the Employment ...ter.

... think these are difficult ...rs and I would not like to ...ent on them one way or ...ther," Mr. Whitelaw added.

...Patriality' ...d wives

... COVERNMENT yesterday ...sed to amend the Immigra-...Bill to ensure that foreign-... wives of Britons had un-...ed right to live in the U.K. ...our and Liberal peers ...d during the resumed com-... stage of the Bill in the ... that as it stood such wives ... wives born in the Common-...—would be outside the ...ial" classification. This ... mean they could stay in ...K. only on the sufferance of ...ome Secretary, having no ...gal right of abode here.

... Windlesham, Minister of ... Home Office, said: "It is ...hat there should be an auto-... grant of patriality to the ...f somebody who is himself ...ial.

...have in mind coming for-... with a comprehensive ...lment providing that the ...of a patrial shall herself ...c patriality in the right on ...sband."

COMMON MARKET DEBATE

Wilson—'the facts'

Mr. Wilson, with some credibility, yesterday established his opposition to the Government's terms of entry into the Common Market on more solid ground than that of shifting political opportunism. He stood firm, in fact, on the terms on which the Labour Cabinet had agreed to.

Quoting from Cabinet papers, Mr. Wilson told MPs at the beginning of the four-day debate on the White Paper that particular importance had been attached to the safeguards for New Zealand: "A transitional period was not enough, unless it was for a generation. The arrangements would have to be, if not permanent, at least equal in effect to a permanent change."

Lord George-Brown had repeated these conditions in the capitals of Europe: "These are the facts. This is what a Labour Government asked for." But it was not what the Conservative Government had got, said Mr. Wilson.

Mr. Geoffrey Rippon, the Government's negotiator, interrupted: "What we have obtained is a continuing arrangement subject to review." "Tell that to Pompidou," laughed the anti-Marketeers. "It is nothing but a commitment to reconsider after three years," Mr. Wilson rejoined.

Weren't the New Zealanders satisfied anyway, asked a Tory MP. Mr. Wilson was up to date about the state of opinion. Hadn't the Government seen the morning's headlines from down-under, he asked with surprise. "New Zealand's euphoria ends."

Though flanked on the front benches by pro-Marketeers Mr. Roy Jenkins and Mr. Harold Lever, Mr. Wilson, with success, placed himself on this issue between those who would accept EEC membership and those who would reject it on any terms.

He put Mr. Heath among the former—and got a delighted cheer from the latter by endorsing their demands for a select committe to find the answers to such questions as the impact of entry on the balance of payments. Refeated by the cheers of Labour MPs—in unison if not unity—Mr. Wilson looked a more formidable opponent than the Government had expected.

The Six Wilsonian quotations from the past with which the Prime Minister had supported the Government's case for entry now only reinforced the doubts and uncertainties.

But Mr. Heath's rallying cry got an enthusiastic response from the Tory back benches. "It is a choice which depends on our own courage and our own far sightedness," the Prime Minister said. "The choice is ours and the prize is a great one. As a nation we must show the wisdom and energy to seize and make the most of it."

Philip Rawstorne

Choice is clear and prize is a great one—Heath

Mr. Heath said he had handled the first negotiations for entry into the EEC in 1961. "It was therefore with particular pride that a fortnight ago I was able to tell the House the present Government's conclusions."

Reasons

"The reasons that impelled the two Conservative Governments and a Labour one to make an application to join the Community seem to us to be as valid to-day, indeed, more valid to-day than when first made 10 years ago."

He had always stressed the industrial and economic argument for going in. "The promise in the long run of a single market in Europe provides a foundation from which European industry and European science can grow to match the achievements of the United States and the Soviet Union.

"I have never seen a European policy as a policy of withdrawal into a fortress Europe either for ourselves or for other countries. I have always seen it as a means of enabling us with Europe to continue an influence which I believe to be beneficial in all parts of the world."

"Nothing has happened in the last 10 years except to show that a Britain outside Europe, and a Europe without Britain, has been unable to influence in great measure the events in the Middle East or the Far East while we have watched a new power rise to a position of immense influence in all parts of the world."

Mr. Wilson had said: "Our purpose is to make a reality of the unity of Western Europe."

"Again nothing has changed since that time except that we now have a Social Democratic Chancellor in Western Germany who has made the boldest and most audacious effort so far to ease the tensions that divide his country and the world."

Matured

Mr. Heath said it had long been recognised that one could not apply to enter into negotiations with the Community unless one accepted the common agricultural policy. It was as simple as that.

The manifesto had stated that if we could negotiate the right terms it would be in the long-term interests of the British people for Britain to join the Community.

Negotiation also meant accepting the other Community institutions as they developed before becoming full members. This the governments in 1961, 1967 and 1970 had also fully accepted.

Mr. Heath said that in the last 10 years neither the Community nor its institutions had changed except that they had "developed, matured, prospered and proved themselves."

It had been his own experience in meetings with the Commission and the Community that they had an infinitely greater degree of flexibility of approach now than in 1961 when we were first negotiating with them.

Successive British governments had reached the conclusion that provided satisfactory arrangements could be made on certain major issues, the security, influence and the prosperity of Britain would be better served by joining the Community as it had developed than by staying outside it.

Dealing with the terms agreed on Commonwealth sugar Mr. Heath said that we and the Commonwealth countries concerned had said that we regarded the Community's offer as a firm assurance of a secure and continuing market in the enlarged Community on fair terms for the quantities of sugar covered by the Commonwealth Sugar Agreement.

"The Governments concerned have made it clear they were satisfied with this assurance.

"I am deeply sorry about some recent Australian criticism of the transitional arrangements which have been made.

"I have seen a great deal of Australia by land and sea and have the greatest admiration for what Australia is achieving to-day.

"What we have arranged is that instead of a phasing out period there is an assurance that if there is any disruptive effect on this trade, action will be taken by the Community, of which we would be a member."

Mr. Wilson and Mr. Heath were reappointed patrons of the European Movement at its annual meeting at the Commons yesterday. Mr. Thorpe was also reappointed a patron.

Other officers re-elected Presidents: Lord George-Brown, Sir Alec Douglas-Home, Sir Frederick Hayday, Mr. Roy Jenkins and Sir Arthur Norman.

Lord Harlech, chairman; Sir Geoffrey de Freitas, deputy chairman; Lord Gladwyn, Mr. Duncan Sandys, vice chairmen.

Effort

Dealing with arrangements for New Zealand dairy products, Mr. Heath said: "The Deputy Prime Minister of New Zealand, Mr. Marshall, has described this as a major achievement, and one that is very satisfactory for his country."

Mr. Russell Kerr (Lab., Feltham), said: "Marshall and Holyoake are stooges on the way out. The leader of the New Zealand Labour Party has expressed his opposition to the arrangements, and there is very great hostility on the part of the New Zealand people."

Mr. Heath said that Mr. Kerr's sentiments were not shared by the New Zealand Press, and that generally New Zealand had made a determined effort to stay out of British politics.

Mr. Heath said it was up to the EFTA countries which were not applying for membership to negotiate directly with the Community. "But naturally we want to avoid damage to our trading relationship with these countries, and the Community shares our desire. It wishes, as we do, to avoid the creation of new obstacles to intra-European trade."

Dealing with the impact on the cost of living, and the higher prices which we would have to pay for some of our food, Mr. Heath said: "The arrangements we have made will spread this impact over six years, and we estimate the cost of living rise resulting from entry will be about ½p in the pound for six years.

"Of course, any increase in the cost of living is unwelcome. But we must keep this in proportion, and it is small in relation to the rate of increase in real incomes in this country in recent years."

The other aspect of the impact on Britain's economy was the balance of payments cost.

"We have given estimates of the possible balance of payments cost over the first five years as far as our payments to the Community budget, and the changes in our agricultural trade are concerned.

"These estimates are dependent on assumptions about the size and shape of the Community budget, the effects of adopting the common agricultural policy, and the gap between world and Community prices. Given these assumptions, it is possible to provide some estimates.

Problems

In May, 1967, Mr. Wilson had said: "I would be doing a disservice to the House if I tried to offer a detailed calculation, in quantitative terms, of the effects of each of the factors operating on the balance of payments in the first few years after our entry."

Mr. Heath said: "I am not going to give figures for these aspects because I believe it to be unrealistic to do so. There are too many large assumptions to be made. I do not propose to attempt estimates on which I could not invite the House or the public to place any serious degree of reliance."

The Government's conclusion was that the advantages of joining the Community more than outweighed the costs, provided Britain seized the opportunities of the far wider home market than would be open to this country.

"Joining the Community means joining a body which has the institutions and the means of adjusting to the problems of its members as and when they arise. It has demonstrated this over the 12 years of its life.

"If we believed the members of the Community would not act responsibly to each other and in international trading agreements, then the question would not be whether the terms are right, or even if we should join the Community. The question would be whether we ought ever to have applied for membership at all."

Mr. Heath went on: "It is because we believe that it is the kind of body to which we can reasonably and conscientiously belong; the kind of body that, having resolved differences of view, will act reasonably and responsibly, with full regard to the vital interests of each of its members; the kind of body that will carry out what it has undertaken to do, that we can regard the safeguards which we have negotiated on these matters as not just adequate but fully satisfactory."

One question uppermost in MPs' minds was how Britain could continue to exert a strong and constant influence in the world.

"Neither our membership of the United Nations, nor that of the Commonwealth, nor our natural relationship with the U.S., has provided us with that leverage in world affairs for which the instinct of this House continues to ask."

The same was true of Britain's power to influence international agreements covering world trade and payments, so important for our international trading position. Most people would like to see Britain do more to relieve world poverty.

"Now we have the opportunity to join a Community which has a better aid record than ourselves, which has a lower average external tariff than ourselves, and which has provided special arrangements of a unique and remarkable kind for the countries which once formed part of the colonial empires of its members

"Thanks to the success of our negotiations we have ensured that the vast majority of the countries associated with us in the Commonwealth can either share those special arrangements in the future or else work out trading arrangements of their own with the Community to suit their own particular needs.

"At the same time through membership of the Community we have the opportunity to develop the resources out of which we can improve our own record in aid, in trade and in overseas investment.

"We are now entering into a phase of rapid movement in world affairs which provides opportunities for statesmanship which, if taken, could break down barriers we have come to take for granted in our modern world."

Decision

With an enlarged Community and a common foreign policy, the prospects for understanding between the two halves of Europe would be that much greater.

"We are now seeing a dramatic and welcome renewal of contacts between the United States and China. At the same time, the United States and the Soviet Union are deep in conversations on nuclear matters which intimately affect the future of every citizen of this country and Europe.

"We cannot be sure to-day about the outcome of either of these developments—what we can say is that they are, or should be, the concern of Europe.

"So the decision we are called upon to take on this great matter in the autumn is not simply a decision about our own prosperity. It is not simply a decision whether to join a Community which offers a chance to do more in the developing world.

"It is also a decision whether we should join with the others in working out a European policy which would give Europe an effective voice in these overwhelming developments which vitally affect her future.

"It is no longer a choice which can be postponed into the future. It is no longer a choice which is contingent on the decisions of others because all the members of the Six now welcome us. That is the great change that has taken place since 1961 and 1967. It is a choice which is offered here and now in 1971.

"It is a choice which depends on our own courage and our own far-sightedness. The choice is clear and the prize is a great one. As a nation we must show the wisdom and energy to seize it and make the most of it."

'N.Z.: a transitional period was not enough'

MR. WILSON said MPs fell into three main groups. These were those in all parties who felt it was right to join and felt the terms were acceptable.

There were those who were against joining on principle and felt it would not be in the interests of Britain. The third group composed those MPs who saw advantage in joining only if terms which emerged from the negotiations ensured that Britain and Commonwealth interests were safeguarded.

He had always said that the terms must be right and that we must judge by the terms.

Information

Mr. Cranley Onslow (C. Woking) said: "You have mentioned three groups. Surely there is a fourth group of those who see short-term political advantage from opposing entry to the Market of which you, yourself, are planning to be head."

Mr. Wilson: "I see there is a Conservative Political Centre Publication about me which I see is being issued at a price of 25p and not, like other Tory propaganda, issued free through the Post Office."

Where anthologies of his statements had been set out fairly and objectively, they had reached the conclusion that the importance of securing acceptable terms in any negotiations with the EEC ran as a leitmotiv through his speeches and interviews. "Both sides of the House are divided on this issue. As soon as this is recognised honestly by all Members, as it is in the country, the better we shall get on. Never have we said we would have to accept whatever terms emerged.

More information would have to be given on certain issues including fisheries, the operations and rules of the Iron and Steel Community and regional policy. There was great concern about the regional implications of Britain's entry. When he reported to the House in 1967 about his own discussions with the Six heads of Government there "was a considerable degree of laxity, permissiveness even, in respect of individual national programmes for regional development."

But recent developments had thrown some doubt on the optimistic impression he had been given.

Mr. Wilson asked how far would ECSC rules prohibit the use of development areas and other regional policies in the steel and coal industries. Would the British Government be able to intervene in location policy in the steel industry, he asked.

He trusted that Ministers during the debate would endeavour to give a clear estimate of the expected cost to Britain's balance of payments and the measure they had in mind to mitigate its impact. Otherwise all experience pointed to restrictions on growth and a growing threat to levels of employment.

In giving their best estimate, Ministers could do so with "whatever qualifications they felt it right to make and with the assumptions on which it is made."

Election

"If they refuse to do this, I have another suggestion to make. The House will have seen a motion calling for a select committee on these matters.

"I don't see how the Government can reject that proposal. Parliament and the country have the right to know the facts before the decision is taken."

Mr. Wilson said that Mr. Heath had "rightly, in my view," rejected a referendum.

"He has rejected for reasons I understand, but do not share, the idea of a general election to test the country's feeling. He has left the decision to Parliament with the whips on.

"On this basis he cannot refuse the information the House needs about the cost of entry and if he refuses to give it, I think the House ought to be able to discover for itself by the long-established machinery of a select committee."

Mr. Wilson said it was not that an estimated had not appeared. On June 25 a number of serious reports appeared in different newspapers on exactly the same day, all giving the same figures for the estimated effect on the balance of payments cost, and "by a matter of simple but question-begging" subtraction had said there would be a net gain of £1,700m.

It was interesting that these figures did not appear in the White Paper.

If the Government had nothing more to tell, and if it had nothing to hide—" and there is, of course the mysterious incident of the £500m. that suddenly stopped barking in the night "—it should move for a select committee with powers to send for persons and papers and make available all the information the committee might require.

The committee should have the power to sit in the summer recess and perhaps be asked to produce a report by September 30. In view of the special importance of the question it might be worth considering that the Speaker should be invited to preside or, failing that, some other experienced parliamentarian who "is above a battle now raging."

Position

Another issue on which the Labour Government had been consistent related to capital movement. It was the central theme of his discussions with the Prime Ministers of the Six when he expressed anxieties about this question.

On Commonwealth sugar, Mr. Wilson said that the Labour Government in 1967 and subsequently, had maintained that the interests of Commonwealth producers must be safeguarded.

"The terms brought back from Brussels have no such safeguards for Commonwealth sugar producers so far as the Six is concerned."

He described the question of New Zealand as one of the most serious issues for the whole House and for the country. At the Labour Party meeting on Saturday he had said that he would not have recommended a Labour Cabinet to make an application for entry into the Common Market except on the basis of sure and continuing access into Britain of New Zealand produce.

"That was the Labour position and the party's position but it is clearly not the position of the present Government."

Because of criticisms he would give the House full details of the Labour Government's commitment and the terms it was prepared to accept in relation to New Zealand when it considered entry into Europe in 1967.

In doing so, he relied on his own "clear memory" of what occurred, and had also refreshed this memory by consulting the records.

"In the early months of 1967 Lord George-Brown and I had talks lasting many days with the heads of Government of the Six. Following these talks we reported in detail to our Cabinet colleagues, and then we made out joint recommendation to our colleagues that we should make an application for entry.

"As far as New Zealand was concerned, we would not have been prepared to recommend entry, nor would the Cabinet have been prepared to agree to entry, except on the basis of what we had told the Six.

"That recommmendation was that, for New Zealand a transitional period was not enough, unless it was for a generation.

"The arrangements would have to be, if not permanent, at least equal in effect to a permanent change. That justifies the statement I made on Saturday, and which I have repeated to-day, and it rules out of court subsequent Press and other statements."

In opposing the Government's New Zealand terms he had taken exactly the line he took in 1967.

Repeated

"Neither Lord George-Brown nor I could have made a recommendation to the Cabinet unless we had stated what our attitude on New Zealand was to the heads of Government of the Six and unless we had subsequently had a clear assurance that it was worthwhile our applying."

Outlining the discussion in the six capitals, Mr. Wilson said that in Rome, Lord George-Brown had dealt with agriculture and the food question at some length. Lord George-Brown had said that New Zealand presented "the gravest obstacle, which could not be surmounted by transitional arrangements alone."

In Paris, Lord George-Brown had stated that Britain believed the problem could be solved only by some derogation from the Treaty of Rome which would allow New Zealand reasonable access to her traditional markets.

In Brussels Lord George-Brown had said that members of the Community must face up to the fact that some form of permanent trading for New Zealand would have to be agreed if Britain was to join.

In Bonn he had suggested the problem could be overcome by a Morocco-type protocol, or an association agreement for New Zealand.

This statement had been repeated in The Hague, and later in Luxembourg, where Lord George-Brown had suggested that transitional arrangements for a 20-year period might suffice.

Mr. Wilson said: "These are the facts. This is what a Labour Government asked for. After we had stated our case in these terms there was no comeback, no disagreement, and no opposition to our membership from any country except France.

"We were thoroughly justified in applying to join Europe on the terms we had recommended, that is, on the basis that arrangements for New Zealand should be permanent, or equal in effect to a permanent change."

Untrue

Mr. Geoffrey Rippon, the chief Common Market negotiator, said: "What we have obtained is a continuing arrangement subject to review. I made it perfectly clear to the Community that a 20-year transitional period would not be sufficient."

Mr. Wilson replied: "You have got nothing but a commitment to reconsider after three years."

He had read suggestions that the negotiating position had been prepared by the Labour Government before June, 1970. This was not the case.

"Nothing had come before the Cabinet nor been seen by my colleagues nor myself, and the statement in the White Paper based on it is, therefore, untrue.

"The Government has rightly called for a great debate, but has started it with a White Paper which is a party political manifesto."

Before the election, Mr. Heath had promised that "all our economic problems were going to be solved at a stroke of his wand." The Tories had fought the election on the law of the market in Britain.

"They never mentioned the Common Market as a means of solving our problems." Last year's prescription had failed, and Mr. Heath would find not only many MPs, but millions of people outside, who "reject this defeatist view" taken by the Government.

"Britain is likely to be at least as strong, vigorous and prosperous outside the Market as if it were to enter the Market on the wrong terms."

Thorpe: Terms are right

MR. JEREMY THORPE, the Liberal leader, said that Mr. Wilson was wrong to say that the commitment of the Labour Party was only to negotiate. It had also promised to "pursue our application for membership with all the vigour and determination at our command."

He rejected the idea that one could go nitpicking about the common external tariff, value added tax and President Nixon going to Peking. This was dishonest.

On the basis of the Government's attempt in 1967 "one must assume that Lord George-Brown was sent to negotiations to succeed and was not sent to Europe as a ruse by the Prime Minister to keep him out of Britain.

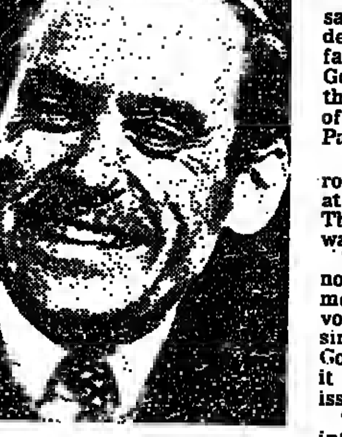
"If Mr. Wilson had all these reservations about these strange foreigners why did he ever go and negotiate with them in the first place?"

Mr. Wilson had implied that the terms would not be the terms he, as Prime Minister, would have recommended.

"It is not without significance that there were four men basically involved in negotiations during the time of the Labour Government, and three of them have expressed their opinion that these terms would have been acceptable."

Mr. Rippon intervened to say that Lord Chalfont (former Minister of State, Foreign Office) had expressed the same view on the BBC programme World at One.

Mr. Thorpe commented: "Well, that makes it four out of five now."



THORPE . . . was it to get Lord George-Brown out of Britain?

History would not condone those who on this issue put party unity as being more important than making the right decision.

"I believe the terms are right. I believe they are better than we had ever hoped to accept since the first application in 1962."

Britain's acceptance of the terms was not only right for Britain and Europe but for the world as a whole. "That is why I hope we will soon become full members. If we do this I believe the generation which took us in, can claim to have played a significant part in history."

Mr. Neil Marten (C., Banbury) said that the Prime Minister had declared this "big decision goes far beyond Party politics," yet a Government Minister had stated the decision would also be a vote of confidence in Conservative Party policy.

He forecast a "most frightful row" over the Common Market at all the party conferences. This would not happen if there was a free vote.

"Those Conservatives who do not share the view of the Government are being told—invited—to vote for the Common Market simply in order not to bring the Government down. That makes it an entirely party political issue.

"I think this has got the debate into the mucky mire of party politics when we are being asked by the Prime Minister to make it a great national debate."

He did not believe the country wanted the decision to be influenced by a three-line whip. He challenged both the Prime Minister and the Leader of the Opposition to say that, in the end, they would give the House a free vote.

Mr. Arthur Bottomley (Lab., Middlesbrough East), a former Secretary for Commonwealth Affairs, said: "I confess that, if I had a choice between the Commonwealth and Europe, I would choose the Commonwealth. But it is because I think they are complementary that we should go into Europe."

Chemical dumping plan 'deplored'

THE GOVERNMENT deplored on general environmental grounds the intention of the Dutch vessel Stella Maris to dump 600 tons of waste chemicals off the west coast of Ireland, MPs were told.

In a statement Mr. Anthony Royle, Under-Secretary, Foreign and Commonwealth Office said: "It has come to our notice that the Dutch vessel Stella Maris is to dump 600 tons of what is described as chlorified aliphatic hydrocarbonates in the Atlantic in a position approximately 600 miles west of Ireland.

"We as yet have no precise details of the content of the waste or of the conditions in which it will be dumped. Although the preliminary view of our experts is that the dumping of this waste would cause no harm to fisheries, the Government deplores this action on general environmental grounds because of the chemical's persistence and tendency to accumulate in the food chain.

"Our embassy in The Hague is already in touch with the Netherlands Government as a matter of urgency about this and have instructions, if the material is as described, to make representations forthwith.

"The dumping of waste at sea is not at present subject to international controls. The Government is concerned about potential danger to marine resources and it was for this reason that we took the initiative in convening both a meeting of North Sea States in London on June 11 and a meeting of the United Nations inter-Governmental working group on marine pollution, also in London in June, which we hope will lay the basis for international agreement."

Mr. Roy Mason (Lab., Barnsley), Opposition spokesman on trade and shipping, said the Danish and Norwegian Governments had already made successful representations to the Dutch Government to stop dumping on their shores because of dangers to fishing.

The decision to dump the waste 600 to 700 miles off the West of Ireland could "endanger the fishing off the coast of Ireland."

He added: "This ship should be made harbour-bound until international agreement has been reached."

Mr. Royle replied: "We are making a detailed assessment of what is involved at the present time. The question of making a vessel port-bound must be a matter for the Dutch Government."

'Hard working' MPs

MPs TO-DAY were generally younger, worked harder, were at Westminster for longer hours and had far fewer outside resources than their predecessors, Mr. William Whitelaw, Leader of the Commons, said at a Parliamentary Press Gallery luncheon yesterday.

He said: "I believe that these developments, which are any way utterly inevitable, are in fact good for both Parliament and the country. They affect both the level of Parliamentary salary which is appropriate and the conditions of work in the Palace of Westminster."

Mr. Whitelaw spoke about the plight of MPs' wives and the "appalling impact" on family lives of membership of the House of Commons. "I spent, I suppose, the first six years, or more, of my Parliamentary life, wholly in a different place from my wife, except at week-ends. You don't have any family life in the accepted sense."

He was "greatly discouraged" about the attendance in the Commons by MPs. "It is much to my regret that we don't have debates—more and more people sit there with their prepared speeches," he said.

But he added: "I hope the October Common Market debate will be a major occasion. And if it does something to restore the reputation of the floor of the House nobody will be more pleased than me."

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Other Overseas News

Palestinians occupy Arab Embassies

By John Walker

STOCKHOLM, July 21.

ATTEMPTS were made by young sympathisers of the Palestine Liberation Front to occupy the Saudi-Arabian, Tunisian and Egyptian Embassies here in protest against recent treatment of the Palestine guerrilas in Jordan, which has no mission in Stockholm.

The demonstrators amounting to about 50 people were mainly Palestinians and some Swedish student sympathisers. Spokesmen for both the Tunisian and Saudi-Arabian Embassies said that they were quite prepared to listen to what the demonstrators had to say, and the Tunisian spokesman added that although the demonstrators had come prepared to use force this was averted and a letter of protest had been accepted by the Embassy.

The only actual occupation took place at the Egyptian Embassy where the demonstrators said they would stay for three hours. Embassy staff called the police who eventually evicted the demonstrators, who were about 30 strong. Scuffles took place during the eviction between the police and the demonstrators, seven of whom were detained for questioning.

Reuter reports from Amman: More than 1,500 Palestinian commandos who abandoned bases in North Jordan are returning to their homes either in this country or in neighbouring Arab states, it was reported here to-day.

The Jordanian government newspaper Al-Ra'y said that 39 other commandos had decided to remain under arms and fight on "in the path of genuine and true resistance against Israel."

Of the 1,537 to return home, Al-Ra'y said 397 would leave for Syria at their own request and 311 others would join their families in other Arab countries.

Reuter adds from Tel Aviv: The Israeli Government is expected to decide soon on the fate of Arab guerillas who fled to Israel from Jordan—amid indications that they may eventually be conditionally released.

Millionaires' conference in 1973

By Our Own Correspondent

JERUSALEM, July 21.

THE HIGHLY successful Jerusalem economic ("millionaires") conference convened by the Israel Government shortly after the six-day war of 1967, which resulted in a massive flow of new investments, know-how agreements and the opening up of new marketing channels throughout the world, is to be followed up by a jumbo convention of 1,000 investors and executives in 1973—Israel's 25th anniversary year.

Not that there have been no conferences for the past four years; some 400 leading businessmen from the U.S., Canada, Britain, Europe, South Africa, Latin America and even the Far East participated in a full-scale follow-up convention in 1969, and the regional committees have been meeting periodically at monthly or quarterly intervals.

The scale of the operation is indicated by the fact that 65 from among America's 500 biggest companies now have investments of one sort or another in Israel —in the industrial, commercial and construction field, as well as in the rapidly growing tourist field.

Australia denies Jenkins' allegations on sterling

CANBERRA, July 21.

AUSTRALIAN Treasurer Billy Snedden to-day denied that Australia ever threatened to switch its sterling reserves to dollars or gold and said it had never entertained moving out of sterling during Britain's 1968 economic crisis.

He was giving Canberra's first reaction to criticism of its role during the crisis by Mr. Roy Jenkins, then Chancellor of the Exchequer.

(In a speech last Monday supporting Common Market entry, Mr. Jenkins said the Australian Government led by Mr. John Gorton threatened there would be a switch of Australian sterling to gold or dollars if Britain acted to stop the flow of British capital to Australia.)

Mr. Snedden's reply, made on behalf of the Government after a day-long cabinet meeting, made no reference to allegations by Mr. Jenkins that the Australian Government was "the toughest, roughest, most self-interested" he had known.

But he said Australia had given steadfast support to sterling since World War II, despite two devaluations which had meant heavy losses in the value of its overseas reserves. For years it had held little more than working balances in U.S. dollars and a small accumulated amount of gold. "Gradually, as our dollar borrowings and liabilities built up, we started to accumulate larger holdings of dollars," Mr. Snedden said. "This was simple business prudence and was done with the full knowledge of the British authorities. . ." During 1968, when there was a heavy flow of British portfolio capital into Australia, there were strong suggestions that Australia should try to move out of sterling.

"Contrary to what Mr. Jenkins has suggested, these suggestions were never entertained by the Australian Government, and during the course of discussions in 1968 the then Treasurer, Mr. (William) McMahon, stated our policy both to the British people and to the British Government."

Controls

However, Mr. Snedden said, Australia had refused "largely for technical reasons" to give a specific undertaking sought by Britain to hold the increasing portfolio investment in sterling. "When this was conveyed to the Chancellor of the Exchequer, it was stressed that although we gave no specific undertaking we would continue as in the past to act with a full sense of responsibility towards sterling."

Britain, as part of an agreement to borrow $2,000m. in Basle, had later sought an undertaking from Australia to retain a set minimum of its total external reserves in sterling, Mr. Snedden added.

It had offered to guarantee additional sterling up to dollar-value for 60 per cent. of Australia's holdings. After negotiations, Britain had agreed to guarantee approximately 60 per cent. of Australia's sterling.

During that period strong elements in the British Labour Party were urging drastic controls on capital outflow to Australia. It was pointed out by Australia that such controls would seriously affect its external reserves and make the proposed agreement unworkable.

"The British Government accepted our viewpoint," Mr. Snedden said.

Reuter

India will raise taxes to pay for Bengali refugees

BY OUR OWN CORRESPONDENT NEW DELHI, July 21.

INDIA is in for a fresh dose of heavy taxation as a result of unexpected expenditure on refugees from East Bengal, the number of which is nearing the 7m. mark. A hint that he will bring a supplementary budget in the next session of Parliament was given to Congress Party members by the Finance Minister Y. B. Chavan. In the budget presented on May 28, Mr. Chavan raised taxation by nearly Rs.3,000m.—the biggest ever in any budget—to meet rising expenditure on development and administration.

At that time the refugee influx had started, but its magnitude was unknown, and Mr. Chavan made nominal provision for Rs.600m. The Finance Minister to-day confessed that this had been spent a long time ago, and he would be forced to ask Parliament for additional sanction.

Supplementary demands are expected to be presented later this week and they are certain to run into several hundred million rupees. International assistance has been forthcoming, but insufficient. Estimates are that a total of Rs.1,300m. has been promised by all countries.

Our Calcutta Correspondent writes: The migration rate of East Bengal refugees over the past week has fluctuated from day to day but the average daily rate given officially is 30,000. With the latest arrivals thrown in, the total influx into India comes to about 6.87m. Of this, 5.25m. are now in West Bengal. The West Bengal figure excludes 127,000 already dispersed to camps outside the state.

Neville Maxwell writes from Rawalpindi: Pakistan is requesting the UN to provide a body of international observers to arrange and supervise the return to East Pakistan of the refugees who have fled to India. It is understood that a letter in these terms has been written to the Secretary-General.

Pakistan's proposal looks to the formation of a civilian group. Its first base of operations would be East Pakistan, where its members would have to satisfy themselves that conditions there were propitious for the return of the refugees and, presumably, report to the UN on factors militating against such return.

Pressure on New Delhi to take over oil

By Our Own Correspondent

NEW DELHI, July 21.

PRESSURE from Parliament is growing on the Petroleum and Chemicals Minister P. C. Sethi for the nationalisation of foreign oil companies in the context of the recent imported crude prices rise. In a special debate on his Ministry in the Upper House of Parliament, repeated demands for the take-over of foreign companies with refineries here (Burmah Shell, Esso and Caltex) were made, forcing Mr. Sethi on to the defensive.

In reply to severe criticism of slow decision-making, Mr. Sethi agreed with members that "foreign oil companies got together" in demanding a crude price rise. This had led the Ministry to make a "serious study" of proposals for either outright nationalisation of the companies or majority equity participation by the Government.

However he added: "It will not be prudent on my part to announce at present what the future course will be" after three hours of debate.

[In New Delhi Foreign Office sources said India is totally against the posting of UN observers on the Indian side of the border with East Pakistan. They said India had already told countries sponsoring such a move that it would consider any canvassing for it an "unfriendly act."]

Amin's conditions for E. African Community

BY BRIDGET BLOOM, AFRICA CORRESPONDENT

ENTEBBE, Uganda, July 21.

IN AN EXCLUSIVE interview here to-day, President Amin told me that Uganda has ordered Saracen and Saladin armoured cars from Britain and that delivery of the first batch is due soon. The deal is believed to involve some 30 vehicles and to be worth about £1.5m.

General Amin, who returned here from a semi-official visit to Britain on Sunday, received me to talk about Uganda's relations with Tanzania. The President stuck to his guns and maintained that Tanzanian troops and Tanzanian-trained guerillas had infiltrated Uganda and been at least partly responsible for the fighting which occurred early last week at three main army barracks, although he said dissident Ugandan soldiers were also involved.

However, in an apparent reversal of earlier allegations General Amin confirmed Tanzanian reports that there has been no fighting along the narrow land frontier between the two countries. I had asked about frontier clashes in the light of a visit last week-end to the Tanzanian side of the border, which had confirmed to my satisfaction that the area was completely quiet. General Amin said that not only had Uganda "no troops on the border" but there were none stationed within 30 miles of it.

He maintained that most of the clashes had occurred on a group of islands, including Lokui, Mwama and Iranka which are well into the Ugandan waters of Lake Victoria. However, General Amin said, it would not be possible to visit the area, where Uganda had installed ground-to-air missiles, because of strict military security.

President Amin spoke of his relations with President Nyerere whom he described as "a friend." Tanzanians and Ugandans were "brothers and sisters," he said, but added that he would not open the border with Tanzania (closed two weeks ago) until President Nyerere recognised his Government.

President Amin's attitude on the major issue of the future of the East African Community was uncompromising. He confirmed that he has laid down three conditions which have been communicated to Tanzania and Kenya and which must be met before he would fully co-operate in the operation of the Community. These are that President Nyerere should give him personally a firm and written assurance of his commitment to the letter and spirit of the Community's Treaty; that President Nyerere should signify his approval of Ugandan nominees to Community posts; and that the Finance Council should meet to approve the estimates for the Community's current financial year which began on June 30.

Ceylon Plan ready soon

BY OUR OWN CORRESPONDENT COLOMBO, July 21.

CEYLON'S next five-year plan will aim to make the country 90 per cent. self-sufficient in rice by increasing the use of high-yielding varieties and fertilisers. The plan to be published shortly, covers the years 1972-1976.

A tourist boom is also planned for, with a sixfold increase to 300,000 a year by the end of the period. West German and American tourists are already beginning to return now that the insurgent movement has died down. Work is underway to improve Bandaranaike International Airport for jumbo-jets and for a bigger passenger load.

The agricultural plans include diversification of crops away from the uneconomic rubber and tea plantations. This programme will be shared between the United Nations Development Programme and the Ceylon Government, who will contribute more than $1m. each.

State-owned industries, of which there are more than 20, will be reorganised to achieve an annual production increase of 8 per cent. Hitherto their output has been poor, with a yield of about 4 per cent. on a capital investment of Rs.4,000m. (£284m.). Educational reform will be geared to accelerating the output of skilled workers and engineers, in place of the present surfeit of Arts graduates, claimed as one of the causes of the insurgent movement.

But increased earnings from tourism and industrial exports will not go far towards reducing Ceylon's dependence on tea, rubber and coconut, which account for 90 per cent. of export income at present. The Government also plans to set up a Tea Trading Corporation which will bid at the auctions for tea for internal consumption and state export. The state-owned Consolidated Exports (Ceylon) already ships tea to nine Communist countries, including China and the Soviet Union.

AUSTRALIA AND CHINA

Peking puts on the pressure

BY DEREK DAVIES

THE Australian capacity for loyalty to allies combined with a somewhat simplistic view of the rights and wrongs of Asian politics are qualities which have hardly helped Canberra to readjust to dramatic changes affecting the region which followed President Nixon's Guam doctrine, U.S. plans to withdraw from Vietnam, China's ping pong diplomacy and now the news received with embarrassed incredulity in Canberra that Nixon himself is to visit China.

It was not until 1966, long after most nations committed to diplomatic recognition of Taiwan had begun to reappraise the policy of containment and isolation of China, that Canberra defiantly appointed an Ambassador to Taipei. The then External Affairs Minister Paul Hasluck went to Taipei to say that the two nations shared "similar if not identical views." The gesture seemed unnecessarily tendentious for a country which over the last decade has sold more than 8m. bushels of wheat to China — sales conservatively valued at over $1,200m., about one-third of Australia's wheat crop every year. Last year 220m. bushels—nearly 40 per cent. of the total crop—went to China.

But at least the upgrading of the mission to Taipei was of a piece with Australia's hawkish defence and foreign policies which were formulated along Dullesian lines in the days of the cold war, simply transposing the national fear of the "yellow peril" forged by the Japanese World War II conquest of South-East Asia to the allegedly expansionist millions of China.

Shaky

Convinced of an international communist conspiracy, Australian policy-makers failed to take account of the Sino-Soviet dispute and the late Premier Harold Holt committed a contingent of Australian troops to Vietnam vowing to go "all the way with LBJ."

All went well and Australia both had its cake and ate it until earlier this year. Then it became disturbingly apparent to Canberra that China had no intention of opening negotiations for further purchases of wheat. Peking was striking a vital blow not only at the Australian economy but at Australia's shaky coalition of the Liberal and Country parties. The latter was dependent for much of its support from the farmers who were already feeling the pinch of rising costs and the low price of wool and who felt that Canberra had not done enough to cushion the impact on them of Britain's entry into the EEC.

Mr. Gough Whitlam the leader of the Australian Labour Party opposition saw his opportunity. His promise to "bring the boys home" from Vietnam had already proved to be effective

Gough Whitlam

with the electorate in 1969. If he could bring off a resumption of the wheat sales to China he could hope to tear the long-lasting ruling coalition apart at next year's election.

His party launched a sustained attack led by Dr. R. A. Patterson, the Opposition spokesman on primary industries on the Government's China policy and its methods of negotiating with Peking's representatives. The campaign was helped by some clumsy Government statements including that by Deputy Prime Minister Douglas Anthony last April who said: "I wouldn't sell my soul just to benefit trade."

The Prime Minister William McMahon had also shown insensitivity to the feelings of both Peking and Taiwan when he stated that his Government would explore the possibilities of establishing a dialogue with Peking "without prejudice to the rights of the Republic of China on Taiwan."

On July 14 Mr. Whitlam and Dr. Patterson and other members of a Labour Party delegation arrived in Hong Kong after an apparently successful two-week visit to China. The party had visited factories and communes around Peking, Shanghai and Canton and held a series of useful interviews with Chinese spokesmen, including Prime Minister Chou En-lai. Whitlam emerged with the news that Peking would be willing to take part in a revival of the 1954 Geneva Conference on Indo-China.

He learned with amusement of attacks on his visit by Mr. McMahon—that the Chinese were using Whitlam and "playing him like a trout," that his visit had insulted most of Australia's friends and allies in Asia, that he had reacted one-sidedly to the latest Communist Vietnam peace offer in a "wild diplomatic game," ignoring China's involvement in wars with India, Korea, Tibet, Indo-China and Thailand. Whitlam, McMahon alleged, was prepared "without morality, without responsibility" to "dump the 14m. people of Taiwan."

The Australian Premier had reiterated his claim that his Government had been in contact with Peking. But the news that Nixon's adviser Kissinger has been fishing in the same waters as Mr. Whitlam has embarrassed Mr. McMahon and made his sneers at the opposition leader sound very ill-advised.

Mr. Whitlam's visit shed some light on the reasons for China's refusal to buy Australia's wheat. Just before his party arrived in Peking a Canadian trade delegation in the capital had extracted a statement from the Chinese to the effect that China would "continue to give first consideration to Canada as a source of supply" of wheat. The word "continue" had grim significance for its implied that even if Canberra followed Ottawa's example in recognising Peking, the Canadians would always be given preference.

When the party got to Peking Dr. Patterson was told that Australian hostility to China had created obstacles to the wheat trade. These were: Canberra's recognition of Taiwan, its failure to acknowledge Peking's claim to Taiwan, its opposition to China in the UN and its support for "American aggression" in South-East Asia.

Some confusion had been caused by previous reports that Australian restrictions on exports to China were the main cause of complaint, but this theory was hardly supported by China's continuing purchases of Australian products other than wheat. Last April it was announced that China had placed orders at the Canton Trade Fair for aluminium, pig-iron, silicon steel, wire rod and scrap metal worth about £6m., over half of which was accounted for by an order for pig-iron and steel from Broken Hill. The Labour Party delegation confirmed that China is prepared to do business with BH and Comalco, but not the Australian Wheat Board which is regarded by Peking as a government agency.

Mr. Whitlam has pledged his party, if elected, to recognise China along the lines negotiated by Canada and Italy. He agreed in Hong Kong that his visit to Peking would be "one of a number of vital issues" which would determine the result of the Australian federal election next year.

Sport

The rabidly anti-Communist Australian Democratic Labour Party has already accused Whitlam of being "China's candidate" for the premiership. In Hong Kong he found it necessary to deny that his party had gone out of its way to ingratiate themselves with the Chinese. Such accusations may prove to be harmful to his electoral chances, as the Labour Party's association with the unpopular demonstrations in Australia against the tour of the South African Springboks.

Automatic anti-Communism is almost as deep-rooted an article of faith in Australia as is belief in the inviolability of sport. Further, foreign policy issues have never ranked very high in the Australian voter's priorities. Whitlam underlined the stress he will lay on foreign affairs by flying straight on to Japan after his tour of China. Later he plans to visit the Philippines.

However, two of his foreign policy issues have great domestic significance—the promise to bring the boys home from the war in Vietnam and the prospect of reviving the vital wheat sales to China. The bitterness of the attacks being levelled at him by the Government at home would indicate that McMahon fears that Whitlam has stolen a march on him. But in the wake of the Nixon initiative such accusations are unlikely to prove harmful to Whitlam's electoral chances. It is McMahon, America's ally, who has been left out on a limb.

BOOKS

Market forces

BY HAROLD LEVER

Government and Market Economy by Samuel Brittan, Institute of Economic Affairs, 75p. 76 pages

The Labour Government after the war settled down comfortably . the belief that, with a limited pply of petrol available, the ly just way of dividing it was continue wartime rationing. I ll remember the outraged ies, which were the reaction to own campaign to tax petrol a level where it could be ioned by price. Grieved shock s perhaps the predictable re- onse of the Labour Minister Fuel, but the Tory Member Eastbourne, an ardent motor- , yelled out indignantly from other side of the House "Call t socialism?"

t was clear that both sides eferred the pretence of justice, ereunder the bureaucratic chine purported to allot to ne two or three million people ir socially desirable propor- n of the scarce commodity. aders may find it surprising t my only sympathiser was e Bevan, whose evangelism on half of the market successfully ncided with Stafford Cripps' ire for more revenue and ught the whole ridiculous rol rationing system to an upt end.

'his anecdote clearly illus- es one of Mr. Brittan's mes, that an ignorance of the use of the market mechan- is shared by both Left and ht.

'he spirit of the present times against economic liberals. eral opinion, rightly, is no ger willing to take on trust the inevitable outcome of regate individual self-interest result in the public good. happily, most economic rals, unlike Mr. Brittan in new work, fail to argue or onstrate with sufficient hasis that their case rests on ieving the most socially rable result.

r. Brittan is a modern nomic liberal. He believes in market economy, and that, rever possible, the public l should be sought by har- sing to it private self-interest free competitive markets. en there is to be State action ould take the form of known s applicable to all rather discretionary action by ticians or officials.

e believes that official inter- tion should seek to avoid pro- tion, rationing or licensing instead make use of the price anism to equate private with al costs. Mr. Brittan does attempt to lay down mech- al and explicit rules for ding where and in what ner State intervention ought ecur in a modern society. er. he insists on applying non sense, even if this does allow his advocacy to be ght within the strict rules rmal logic. The result is a y and well documented argu- in a modern context.

r. Brittan dispassionately olishes the fantasies of the and the Right. The Left dislike his cruel exposure of depressing incongruity een the splendid intentions of much State intervention and its actual effects; the Right will resent and be surprised at the demolition of their own naive equation of anti-interventionism with economic liberalism. Mr. Brittan sees as curious the Labour Party's reflexes which make it all too ready to prefer State-aided protected capitalism to the competitive variety. It is almost as if it regards an unprofitable capitalist as the next best thing to a socialist.

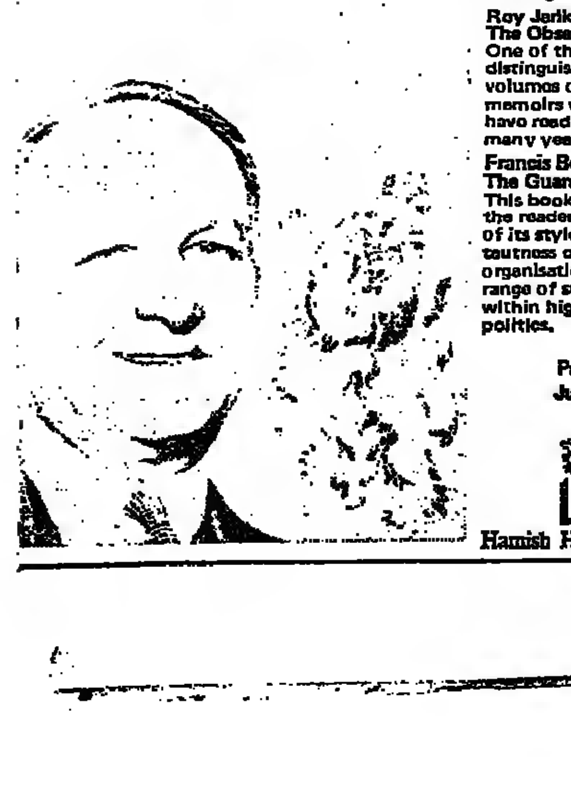
But Mr. Brittan makes clear that the present Tory Government has no coherent general philosophy likely to bring about the more widespread and intelligent use of market forces for the public good. They, too, are not economic liberals, certainly not of the modern kind. He might usefully have gone on to castigate the Tories for the inept way in which they make their sporadic and marginal attempts to restore free markets in the present inflationary situation. More damaging than their unwise State interventions are some of their insufficiently thought-out attempts to restore free markets, that is, in rented accommodation, where the combined effects of tax and social service legislation is to produce a marginal effective imposition of anything from 50 per cent. to more than 80 per cent. on the wages of the low-paid; an interesting achievement of a government supposedly concerned with the disincentive effects of high taxation.

One difficulty of promoting the market concept is that its long-run advantages have little political appeal. It is the promise of the instant success at a stroke by Government intervention which sells. The costs of market action are definite and instantly visible. The costs of the Government "remedy" are often diffused, distant and not identifiable. If the market acts to produce the same quantity of goods with less men, the human costs of innovation are all too obvious. If the Government acts to prop up a company the market would not support, the immediate result is obvious, agreeable and encouraging.

All this means that, if we are to retain public support for competitive markets in desirable areas, we must be ready to support certain State interventions where they can be justified by social considerations, even if other inefficiencies will result. We must act to soften the cruelties and waste of uncontrolled market forces and we must see that innovation proceeds at a digestible pace. Side by side with the development of public responsibility, we must develop a healthy and critical scepticism of that desire to wield Government power which so often masquerades as an attractive perfectionism.

Bohemianism does not restrict its triumphs to the non-economic area. In a society which has developed an unhealthy taste for hallucinations and hopeful self-deceptions outside the economic field, the road to political power is paved with proclaimed good intentions whatever their likely outcome in the event. Our society tends more readily to accept a failed moraliser than a rational matter-of-fact pragmatist.

Though I would strongly dispute some of his illustrative propositions such as the private generation of electricity or pirate buses, Mr. Brittan, in his paperback, makes out a case for a modern version of the market economy that is at once sensible and stimulating; not as a means of excusing the Government from pursuing socially desirable objectives but as, in general, the most effective mechanism for achieving them. This paper will be useful and thought-provoking for members of the Labour Party; but more urgently it ought to be compulsory reading for the economic Ministers in the present Government and their parliamentary supporters.



With the Norsemen to Vinland

BY C. P. SNOW

The European Discovery of America: The Northern Voyages AD500-1600 by Samuel Eliot Morison. Oxford University Press, £6.00. 684 pages

Chabot de Brion, Admiral of France, supporter of Cartier—one of many illustrations in Admiral Morison's book

Admiral Morison is a splendid figure. He is now 84 years old. He is not a professional sailor, but all his life he has been a real one: there appears to be no part of the east coast of America that he hasn't personally explored by boat, usually a very small one. In the second world war he did distinguished service to the U.S. Navy, hence his rank. He was an academic at Harvard for 40 years, and is one of the most distinguished naval historians: like our own Stephen Roskill, he possesses that special intellectual astringency and bite which is one of the most agreeable characteristics of the best naval historians.

Along with that, Morison has his fair share of the confidence and independence of the upper class New England from which he comes. So that—professionally as well equipped as one can be, patrician in the best American sense, lively with the devil-may-care of an old man who is young in spirit—he is writing these admirable books about the discovery of America.

Granted the requirements of historical truth (he remains, as he has been all through his career, a most conscientious scholar), he otherwise doesn't give a damn. He allows himself the liberties of a grand old man. He doesn't believe in the Vinland Map, and says so without hedging. He doesn't believe in many passages about the voyages of discovery written by unsailorly characters. He won't have excuses made for Simon Ferdinando, possibly "the worst pilot in history," who ruined whatever faint chance the Ralegh colonisation of Virginia started with. Morison cheerfully brings in his own experiences. This book is the first of a series: one hopes and believes that he will finish with the same gusto in his ninth decade. Anyway, this one ought to be read by anyone with a taste for adventure, discovery, human courage, human frailty, the topography of North America, and an author of agreeable idiosyncrasy.

Part of the sub-title is misleading. The AD 500 refers to the start of various mythical voyages, such as St. Brendan's, which probably wasn't entirely mythical but didn't get to North America. Morison disposes of all these fairy stories with his usual hard sense. The beginning of the European discovery of America, is, of course, the voyage of Leif Ericsson, just after 1000 AD. No one familiar with the saga literature has ever seriously doubted that. It is now firmly established. And the place of Leif's settlement is pretty firmly established also—Vinland was the site at L'Anse aux Meadows, discovered and excavated in the 1960's. "Wild grapes" should have been translated "wine berries": and, as for Vinland, the Norsemen were not above propaganda exercises to attract settlers—see, for example, Greenland.

The first American-European was born in Vinland, but the settlement was a failure. Probably it was bound to be, and would have been if they had gone farther south. They hadn't regular connections with their home base (that was a lesson which wasn't learned until the seventeenth century), and they hadn't much technical-military superiority over the native inhabitants, who promptly ejected them. These inhabitants the Norsemen called Skrellings: they may have been either Eskimos or American Indians. Neither were a push-over for a small landing party with European arms, down to the time of the Massachusetts colony. Another more humble deterrent Morison lays some stress on. Just mosquitoes. They made colonisation in America more forbidding for hundreds of years: as they do to this day in Canada and Siberia.

After Leif Ericsson, the Greenlanders got more pinched and less adventurous, and it was too long a distance from Europe to America until ship-technology improved. By the time of Cabot, this had been done: Bristol-built cogs were more capable vessels than anything the Norsemen had (Morison is fascinating on the building and navigation of ships, and the way they lived on board). John Cabot's first transatlantic voyage—he perished on the second—was a distinguished one, and in many ways a more difficult feat than any of Columbus's. But after him the English went out of the competition for more than 50 years: the Portuguese and French began fishing, very profitably, off the Grand Banks, and there was a good deal of practical knowledge of the north-east American coast a couple of generations before anyone thought of living there.

Serious discovery, for the first half of the sixteenth century, was taken over by the French, notably by Verrazzano, who coasted from what we now call the Carolinas to Maine, and Jacques Cartier, who explored the Great River, the St. Lawrence. Verrazzano was a Tuscan gentleman in French service and personally perhaps the most attractive of Renaissance sailors: Cartier was a more proficient explorer and a good seaman. It is interesting to study Morison's professional judgment of the men as professional seamen. He ranks John Cabot very high (not his son Sebastian, who was an amiable crook), also Martin Frobisher. Frobisher's search for the North-west passage came, by the nature of things, to nothing, nor did his quarrying for gold-yielding ore: but his seamanship—and apparently his leadership, when he wasn't quarrelling with Francis Drake—was fine.

Jacques Cartier, as a sea-captain pure, Morison would be inclined to put above either. Humfry Gilbert, though a picturesque and respectable Elizabethan, was both unlucky and probably not specially competent at sea. Richard Grenville was surprisingly good for an amateur, and learned a lot quickly: though he was about the last choice to plant a colonial settlement, if one hoped to keep on amiable terms with the unfortunate Indians. Of them all—this contest doesn't include Francis Drake, who did not explore North America—Morison gives the first place to John Davis. To me this was entirely unexpected, but the case is carefully and impressively made.

But then, the whole book is impressive. It ends with the sad, muddled story of Ralegh's attempt, from a distance, since the Queen wouldn't let him go himself, to colonise Virginia. The first party was brought off after a year. The second, in which there was a girl born, the second North American European, no one knows the fate of. A relief expedition went out after two years. Arriving at the north end of Roanoke Island, after dark, in the light of a forest fire, "We let fall the Grapel neere the shore, and sounded with the Trumpet a Call, and afterwards sang many familiar English tunes of Songs, and called to them friendly, but we had no answer."

That was written by Governor White. He was a talented and vigorous man who could write English. Admiral Morison is another talented and vigorous man who can do the same.

Human insight

BY ANTHONY WEDGWOOD BENN

The New Scientists edited by David Fishlock. Oxford University Press, 95p. 98 pages.

The real interest in this book of essays lies more in the insight it gives us into the authors even than in the insight they help to give us into the subjects about which they are writing. The six writers are all outstanding examples of a generation of scientists and engineers—still young by establishment standards—who have reached positions of real responsibility during a period when public interest in science policy, engineering and management was growing. These are not the back room boffins of the war years who had a mystical quality about them and did their work behind a shield constructed half by security and half by public ignorance and wonder.

David Fishlock, who is one of the most respected science writers in Britain, contributes an introduction which sets the book in its proper perspective and shows how public pressure—expressed in many ways—led to a fundamental re-examination of the role of research in which each of the other authors was involved. His account of my own Green Paper advocating the establishment of a British Research and Development Corporation and his emphasis on the growing importance of better procedures for technology assessment highlight two issues still to be resolved.

Hans Kronberger (for whom Brian Flowers has written a sensitive obituary tribute) reminds us at the very beginning of his chapter, with a quote from Heraklitos "War is the father of all things" that advances in science come fastest when the need is clear and urgent. But in a world beset by a myriad of other problems more pressing than the fear of invasion, it makes you wonder why we cannot create clear civil objectives out of these new needs and set qualified people to work on them. The task of accepting these needs and providing the resources to meet them is for the politicians and we have not been very successful in doing so.

Duncan Davies quotes Sir Cyril Hinshelwood's dictum that big scientific advances depend on a big artistic imaginative leap. But if that is true of research successes it must be equally true of the problems both of application and of adjustment by society to the new situation that technologists have created. If the transfer of technology is best advanced by transferring people from research into development and later perhaps production and marketing too, we could also greatly benefit from a situation in which more qualified scientists and engineers (QSE's) were educated and encouraged to concern themselves with society more generally.

D. T. N. Williamson spells out clearly his view that successful organisations have to be built around "the people one has, or can acquire," comments sympathetically on "the crazy, crank individualist" inventor and praises the "qualities of creativity, enthusiasm and determination" of the greatest engineers—who do their best work when the need is clear and there is a real cross-fertilisation of ideas. He draws attention to the need for more finance for high-risk innovation which is a timely reminder that total government disengagement from industry may only be possible at the cost of neglecting future growth.

Walter Marshall—the youngest of them all—describes the redirection of effort at Harwell in which he has played the leading part and his analysis of the problems—real and imaginary—that that involved should be studied by the Ministers before they make their long delayed announcement of what, if anything, is to replace BRDC. The rule of "maximum unfairness", which allows Harwell to work selectively with firms that want a partnership arrangement instead of just publishing their findings at large, which he courageously—if not recklessly—describes, indicates the extent to which old ideas have been set aside in pursuit of the new objectives.

The sole contributor on the defence side, H. W. Pout, warns against the over-elaborate projects, many of which are now only remembered in the long history of cost escalation and of cancellation, and describes the—politically explosive—area of defence contracts.

Finally, in a useful last chapter B. T. Price writes of management science and government and the use of operational research techniques in modern decision analysis. But, as so often happens with experts in this field, he under-estimates the most important factor of all—the progressive shift in human values and the growing strength of those who fight to get them accepted by governments and managements of all kinds. These values—as is now clear—are far more significant guides to the future development of society and the science it wants and will pay for than the research achievements and technological developments which have marked the years since the war.

People, as people, are much less tidy in their methods than the scientists—but in the end, in a democracy, they must get their way. This is what scientists should study even more carefully if they want to understand the future. If we do not provide better for these human pressures to reflect themselves through democratic institutions, we shall find democracy itself has slipped through our fingers. And that was just what Willis Jackson wanted to prevent when, with others, he devised this Science and Engineering Policy Series, of which this useful book forms part.

Bodies in the hunting lodge

BY JOHN RAYMOND

Mayerling: The Facts Behind the Legend by Fritz Judtmann. Translated by Ewald Osers. Harrap, £4.00, 391 pages

On the morning of January 30, 1889, Crown Prince Rudolph, son of the Emperor Francis Joseph I and heir to the dual throne of Austria-Hungary, was found dead in the bedroom of his hunting-lodge at Mayerling, some miles south-east of Vienna. Beside him lay the body of his 17-year-old mistress, Baroness Mary Vetsera. Both had been shot in the head. After the cloud of rumour and speculation had cleared and the smokescreen of official explainings had been blown away, the grim facts emerged. The prince had done the shooting. He had killed the girl some time before shooting himself, aiming accurately with the aid of a pocket mirror—or, as the Court version elegantly put it, "evidently the Crown Prince used the looking-glass at the last moment of his life." As a romantic imperial and royal tragedy, Mayerling was the sensation of the period. It has held the popular imagination for decades—though never so effectively as when Charles Boyer played Rudolph in the film. Yet, historically and psychologically, the background to the tragedy is quite different to the popular and cinematic version.

Meanwhile, here is Fritz Judtmann's massive and dossier-steeped reconstruction of the foreground itself—a portentous re-enactment of the story, with every fact and supposition analysed, every shred of motive and every subsidiary character in the drama held up for scrutiny and, so far as is humanly possible, every movement and moment in the couple's last 48 hours accounted for. It has taken Professor Judtmann five years to complete the job; even now many vital documents, some of them never to be recovered, are missing and several ends of the narrative are left untied. These gaps to a full understanding of the case are scrupulously recorded and this is the most complete and definitive account of Mayerling that is ever likely to be written.

Obviously it has been a labour of love for the writer and for the accomplished translator, but it is something less for the reader who has to wade through a mass of turgid deposition and counter-deposition from gamekeepers, cabbies, women of the bedchamber, police informers, court physicians, courtiers, friends and relatives of the deceased and excellencies stretching as far up the imperial ladder as the Prime Minister (Count Taafe) and the Papal Nuncio. He is made to study maps, time-tables and building plans galore and memorise a heap of bric-à-brac and etceteras—including two cigarette-cases that play the same part in the Mayerling story as the "bordereau" does in the Dreyfus Affair. One identikit drawing records the changes in the Crown Prince's hair, moustache and beard styles between 1875 and his death.

Batches of telegrams are reproduced, their contents ranging from routine police surveillance to Papal *hauteur* and archidocal condolences. Even a choice of weapons is offered (see the three types of revolver opposite page 272). "The whole story," wrote Edward VII (then Prince of Wales) to his mother, "is like a bad dream and I can think of nothing else."

The source of the tragedy lies solely in the character of Rudolph. If it had not been Mary (whom he had known scarcely three months) it would have been some other sacrificial companion. He had previously tried to persuade other girls to die in his company—notably Mitzi Caspar, an earlier mistress, with whom he spent part of the night before his departure for Mayerling. Frustrated and unhappy, an idealist with liberal aims, his aspirations outran his hopes and his intellect. Naturally unstable—from his mother, the Empress Elizabeth, he had derived his share of the Wittelsbach inheritance—he was a compulsive drinker and drug-taker; almost certainly he suffered from VD. To appreciate Judtmann's detailed study fully and realise those tensions in the Crown Prince that led to Mayerling, the general reader would do well first to consult Chapter 14 of Edward Crankshaw's *The Fall of the House of Habsburg* (now in paperback, Sphere Books) where his dilemma is unerringly set down:

. . . in spite of the rebelliousness of his nature, there was another side: he was fully conscious of the demands made by his station in life and his duties as heir to the throne. He never lost this consciousness, which was one of the motives for his suicide . . . when he had compromised himself in so many ways and was so steeped in deceit *vis-à-vis* his father that he could see no honourable way out.

And Crankshaw goes on to remind us that at this time, less than a mile away from the Crown Prince's apartments in the Hofburg, Freud was then evolving the ideas that were to result in his theory of the Oedipus complex—"a discovery which would have interested Rudolph deeply had he lived for ten more years."

Fiction

Freedom and anarchy

BY ANTHONY PAUL

Running Away by David Pryce-Jones. Weidenfeld and Nicolson, £2.00. 255 pages

The Occupation by David Caute. André Deutsch, £2.00. 302 pages

Krumnagel by Peter Ustinov. Heinemann, £2.10. 272 pages

This week, by a coincidence that would not be tolerated in realistic fiction, two writers born in the same year, 1936, both university teachers, bring out novels. Both describe student rebellion in America, and relate the private lives of their characters to a public, indeed global context; both of these writers are aware of the distance between generations. But, fiction being a boundless garden of unique mutants, the two books are of course entirely unalike.

In *Running Away* David Pryce-Jones gives a pessimistic, liberal view of a disintegrating sector of the middle class, those whose parents' selfishness, disguised as rational tolerance, has left them bereft of affection or purpose, either misfits or monsters. The parents are Freddy Slater, director of a scientific research institute, and his long-departed wife Victoria; his self-indulgence is in reason, hers in sensuality. The children, Tanis and her brother Anthony, drop out from their progressive school, he to pursue a career of sexual and financial opportunism, she to stumble through a series of limbos, a job in TV, a kibbutz, a disastrous marriage to a Moroccan. We last see her in Bucharest looking after a decrepit ex-aristo, the father of her mother's current lover. Her brother, meanwhile, is encouraged to see that England has begun to sell its old churches to Americans: he will cash in.

The death of Tanis's husband, a futile self-styled revolutionary, is juxtaposed dramatically with an upsurge of student violence at Berkeley, while Freddy is there on a visit. He is seized with disgust at the unreason that has been the fruit of supposed reason. His conversion to this point of view is somewhat sudden, and reduces him to a less credible figure, a necessary mouthpiece. But it is only at this point that the novel's skeleton shows through, for although committed to a precise thesis, it is far from abstract. Mr. Pryce-Jones's crisp and witty writing gives substance to a notably wide range of milieux and character, from the American set in Tangier to Rumanian emigrés in France. With economy, a whole world of escape and exile is indicated, a recognisable setting for the spiritual and social malady the author diagnoses.

David Caute is, in the end, to be found on the other side of the barricades; though the statement must be amplified if it is to do justice to the scrupulous intellectual wriggling with which, in *The Occupation*, he seeks to define his political position. Or rather, that of his protagonist, Steven Bright, a progressive professor on a visit to America, overtaken by his more radical students. But Bright is not so much a personage as one of various alienation devices in a novel that moves deftly on several levels of reality, and constantly sabotages the illusions it sets up. "Bright," we are reminded, is not unlike "Brecht."

Bright's office, or mind, is occupied by a gang of students who bully him, burn his papers, argue with him. One of them is the girl Eva, by whom he is masochistically besotted. His only defence, but a good one, is that he is making them all up, just as Mr. Caute is making him up, as he points out in numerous footnotes, references to his own career, and asides descended from Cervantes through Fielding and Sterne.

All this is not the ego-trip it may sound, for Bright is made a clownish and farcical figure; particularly in a section written from Eva's point of view, where Bright's political hesitation is put down to middle-aged fear of the young, and his sexual incompetence is dwelt on. Mr. Caute finally saves Bright from his fantasy-revolution and dumps him safe within the cosy walls of All Souls (where Mr. Caute waged a small revolt of his own, back in pre-New Left 1966).

It is necessary to add that *The Occupation* forms the third part of a trilogy, whose first two parts are beyond the scope of this review; they are a play, *The Demonstration*, and an essay, *The Illusion*, which defines the new brand of "dialectic writing" Mr. Caute has attempted in *The Occupation*. He wades through and beyond the gluey swamps of Marxist literary theory, seeking a way between the tyranny of Illusionist realism and the more airless forms of modernism. A lively survey of modern literary modes.

David Pryce-Jones

Peter Ustinov's well-known gift of international mimicry gives *Krumnagel* its comic foundation. The novel deals with the misadventures of a crass American police chief, Bart Krumnagel, who is given round-the-world tickets by his grateful city. In an English village pub he gets into a row with a Scots Communist and, when the man reaches for his handkerchief, shoots him dead. To his disgust and disbelief, he is given seven years. The authorities are keen to get rid of him, so put him in an open prison, whence he duly escapes back home, only to find that he has lost both his job and his wife. In a finale that unsuccessfully tries to say something serious about the state of the world, Krumnagel blasts his way to revenge.

This is no "tragedy of innocence lost by cynical betrayal," as the blurb would have us believe—it is a somewhat shakily linked series of jokes concerned with bizarre cultural collision, the oddities of the law, policemen, crooks, American tourists and so on, of the kind Mr. Ustinov tells so well. As you would expect, he has the various idioms and accents off to a tee.

Pope's albatross

BY PETER HEBBLETHWAITE

Infallible? An Enquiry by Hans Küng. Collins, £2.25. 205 pages.

With tongue in cheek irony Hans Küng brought out the German edition of this book on the hundredth anniversary of Vatican I's solemn definition of papal infallibility. It was immediately and accurately, described as a "theological bombshell." The fall-out reached America in March and has now descended on Britain

Küng's book is controversial because it questions what has been a basic premise of Catholic theology since 1870. Since the definition, there have been "maximalists" who wanted the Pope to define as much as possible, and "minimalists" who were more concerned to restrict and limit and curb. In fact there has only been one formal exercise of the "prerogative of infallibility" since 1870: the definition of the Assumption of Our Lady in 1950. Küng is clearly not a "maximalist", but neither is he a "minimalist." He is an abolitionist.

His starting point is *Humanae Vitae*. Most theologians are content to accept pontifical documents in the final form in which they appear, and to argue from there. Küng goes behind *Humanae Vitae* to the intentions of its authors and shows that they were not so much concerned with the question of contraception as such, but with a certain view of pontifical authority which they felt would be undermined by any "change." The reason why Pope Paul, for all his good will and compassion, had no choice but to reaffirm the ban on contraception, is to be found in the doctrine of infallibility. He could not admit to error, or even the possibility of error. It is true, as Küng concedes, that *Humanae Vitae* was never formally qualified as infallible, but it was the after-glow of infallibility which placed the Pope in the dilemma from which Küng wishes to rescue him.

The trail from *Humanae Vitae* leads him back to Vatican II which reaffirmed infallibility, extended it to bishops together with the Pope, set it in the wider context of the "indefectibility of the faith of the Church," but failed to come to grips with the real problem. It had been inherited from Vatican I. So back he goes to Vatican I, and the influences playing upon the minds of the bishops. Their aim was to strengthen papal authority in a threatening world. Their philosophical equipment was meagre, and it was their "rationalist" view of propositions which made it possible for them to think that "infallibility" could ever be a quality of human discourse. But, argues Küng, all human discourse is fallible, which does not mean that it cannot state the truth. There are errors of fact, of geography or history in Scripture, but that does not prevent the message coming through. The same is true of the faith of the Church. A more modest claim would make for a more self-authenticating teaching authority.

Küng's avowed aim is not to wreck the papacy but to liberate it. Infallibility is a Cartesian albatross hanging round the pontifical neck. He ends his book with a sketch of a Pope for the future, who would fulfil his Petrine office as a service of charity.

The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● CONSTRUCTION

Plumbing built to shape

AS other aspects of building became more and more system-ised, it was only a matter of time before the highly traditional plumbing trade was subjected to a thorough re-examination of established practices, resulting in the introduction of a modular prefabricated system.

A method of assembling all pipework services into a modular frame ready for delivery to site and speedy installation, devised in Switzerland, is being introduced to this country.

Called the Montel system, it was developed by George Fischer, and is being launched here by Le Bas Tube Company of Eagle Wharf Road, London, N.1.

Intended primarily for back-to-back bathroom and bathroom/kitchen layouts where the concentration of services in one unit results in greatest economy, the system is really ideally suited to high-rise buildings, although lateral arrangements are possible.

To the mechanical services contractor the system allows the efficiency and accuracy of workshop assembly; to the craftsmen it means greater comfort while assembling, while at the same time speeding up the process on site.

Le Bas reckons it takes up to three hours in the workshop to assemble a typical frame once the workmen are familiar with the technique, and on site, assembly can take as little as half an hour.

Once the initial design has been decided upon it is simply a matter of repetition. The pipe-fitter gains maximum advantage from power-driven equipment for tube cutting, screwing and frame assembly, with the result that besides greater comfort for the fitter, greater reliability ensues.

One of the first large jobs in this country to have the system installed is the Aer Lingus hotel in Kensington being built by Sir Robert McAlpine, with Haden Young the mechanical services contractor.

The Montel unit comprises three basic groups of components: angle-section horizontal and vertical members, square-section cross spacers and aluminium alloy pipe locating brackets available in standard pipe sizes.

Besides the advantage of speedy pipework installation, the system also offers the prospect of lighter partitions in the bathrooms, as the sanitary fittings can be attached directly to the moduler frame rather than to the wall.

In addition, from a management point of view the system permits more accurate work measurement, and from a labour point of view, attractive piece-work rates could be introduced.

MARTIN ROUTH

Portable sound shelter

AUDIOMETRIC tests are difficult to perform in a normal industrial, or even academic, environment because of the high ambient sound level.

Now, a cubicle that gives a high degree of insulation from external noise, and which is also mobile to the extent that it can be moved easily from room to room, has been announced by the Industrial Acoustics Company of Walton House, Central Trading Estate, Staines, Middlesex.

Dimensions of the structure have been determined partly by the need for it to pass through a standard doorway. Thus it has overall dimensions of only 75 by 29 by 39 in., on height, width and depth respectively. Inside dimensions, despite the high degree of soundproofing, are 66 by 34 by 24 in., large enough to accommodate most adults in comfort.

Overall weight of the unit is 650 lb., and it is made mainly of 2.5 in. thick sound insulating board and has a double glazed window which is claimed to prevent claustrophobia. The door is secured by a magnetic lock that also excludes external noise, while the floor is laid with foam-backed nylon carpet for maximum sound absorption.

The unit can be fitted with any type of bearing evaluation equipment that is needed, and can also be supplied with castors for complete mobility.

Instant homes

At Albany, NY, in the U.S., Westinghouse Electric Corporation is to supply 1,100 pre-assembled kitchen modules and combination heating and air conditioning systems to the Guilderland Park Corporation.

The units will be installed in 550 high- and middle-rise garden apartments and single-family homes located in a Planned Unit Development now under construction by Guilderland. The privately financed development is expected to grow to 2,400 middle-income dwellings in about three years.

The 550 kitchen modules—complete with major appliances, cabinets and Micarta counter-tops and wall surfaces—are being built at Westinghouse plant in Grand Rapids. The company will also supply 550 packaged heating and air conditioning sub-systems.

The units will be taken to the construction site and crane-hoisted into place. Once in, all that needs to be done is the connecting of the power lines and air ducts—the sub-systems are ready to go.

Included with each kitchen is a range and hood; refrigerator; dishwasher; sink with food disposer; and a series of cabinets.

Four types of heating and cooling packages will be installed. The combination systems will provide heating capacities ranging from 3 kilowatts to 12 kilowatts and cooling capacities from 18,000 to 24,000 Btu/h. The heating and cooling units complete with exterior wall grille and measuring 23¼ inches deep, 13¼ inches wide and 80 inches high, will be located in a closet space.

● HANDLING

Linear motors work lift doors

LIFT doors operated by linear motors are more reliable than other types, and offer savings in head room, when hydraulics are used to control their ac motors, according to Becker Equipment and Lifts.

While ac linear motors are the more reliable, problems inherent in controlling their acceleration electrically caused lift engineers to work on dc types.

Initially, dc motor operated lift doors largely failed on two counts: first, the linear windings burnt out quickly when the motor was stalled even for only 15 seconds, and secondly, the linear windings were very suceptible to damage.

Becker's experience in hydraulic control of mechanical handling equipment was of use in applying these techniques to the control of ac linear motors in lift operation.

Lintol crane motors manufactured by Herbert Morris were chosen by Becker for its development work. Besides their ruggedness, these units are capable of stalling for five minutes without over-heating.

Only two moving parts are involved in the door operation, instead of the complex arrangement of pulleys, wheels, belts, gears and adjustable arms needed for conventional systems. Damping and control is provided by two simple silicone-fluid rotary dampers made by Kinetrol.

A single standard motor is said to be capable of operating a variety of lift doors with openings up to 6 feet. Becker is at Rosemont Road, Wembley, Mddx.

Shipping cranes to Cardiff

ENGINEERS from the British Transport Docks Board port at Cardiff have developed a method of discharging fully erected quayside cranes from a floating pontoon into a "ready for use" position on the quayside.

This problem arose following the recent purchase by the Docks Board of eight Stothert and Pitt electric cranes from the Port of London Authority's Surrey Commercial Docks.

Conventional methods of discharge, using a floating crane, were ruled out at Cardiff where the port's own floating crane, although having the capacity for making the 100-ton lifts required, had insufficient headroom to clear the cranes.

Instead a scheme was devised to use the cranes' own electric power and drive them off the pontoon across a link-span onto a temporary track linked to the quayside.

The loading operation at the London end was comparatively straightforward using a PLA floating crane. The eight cranes were hoisted aboard a pontoon with their jibs lowered to the deck and lashed down. Two Argus class tugs were engaged for the 3½-day journey to Cardiff.

On arrival the pontoon was firmly anchored to the quay wall by three 2¼-inch diameter steel screws. A link-span, designed to allow for flotation was secured and a bridge section was aligned to each of the cranes.

Movement of the pontoon during discharging was a critical factor throughout and by careful ballasting the rise and fall was kept to within acceptable limits. The first crane was winched off to enable engineers to gain experience in levelling the pontoon, but the remaining seven were run off under their own power.

The discharging operation took less than 30 working hours, and the whole operation resulted in "considerable savings" in both time and money.

Vertical conveyor

MANY factories and warehouses have storage on more than one floor, and often the difficulty of moving heavy packages to upper floors inhibits proper use of all the space.

Now, AMF Legg, of Andover, Hants., has announced a vertical chain conveyor aimed at giving reliable transport to and from upper storage levels.

The unit consists of a steel box frame with weatherproof cladding, and with a pair of chains driven by an electric motor at the upper end and a pair of gear wheels. The chains carry H-section slings which can be designed to suit particular applications. Cases or packages are loaded by way of an inclined roller conveyor. As a sling reaches the on-load point, it picks a case off the conveyor and carries it either up or down depending on the sense in which the unit is being used.

At the off-loading point another set of rollers arrests the movement of the cases and conveys them into the building or storage bay.

Each unit can be made to the size required by the user, and they can be used either inside or outside a building.

● POLLUTION

Natural gas buses

AS AN answer to the growing pollution problems in cities—both from the viewpoint of smoke and chemicals and from that of noise—the MAN company of Munich has developed a design of city bus which uses liquefied natural gas as the fuel.

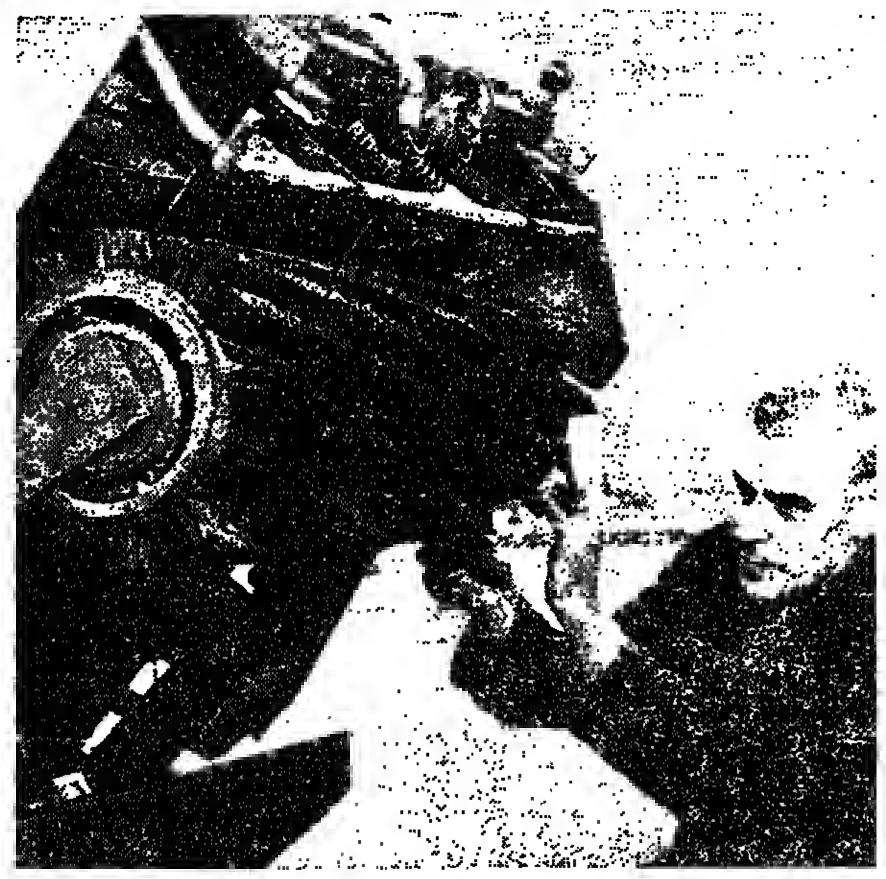
The expectation of many environment specialists is that in practically every city in advanced countries private vehicles will eventually be prohibited, at least from streets in central areas. However, buses use mainly diesel engines. While the combustion products from these are, in general, much less toxic than from vehicles using internal combustion engines running on petrol, they are noisy and the smoke they emit contains "sick-making" chemicals.

MAN's new design runs on liquefied natural gas, contained in insulated cylinders held under the vehicle body.

The company claims that it can offer a reduction in pollutant emission of between 60 and 90 per cent. It also says that conversion of existing vehicles to natural gas burning is relatively inexpensive and should not cost more than 10 per cent. of total value of the vehicle.

Additional to the normal equipment of a vehicle would be cryogenic tank for the liquef[ied] gas, holding the natural gas [..] per cent. methane) at around minus 160 degrees C. This wo[uld] be turned into vapour in a [heat] exchanger and fed to a press[ure] equaliser before going to [the] carburetter of the conve[ntional] engine.

● MATERIALS



Ferranti lightweight resin-bonded paper rollers, which have mechanical properties comparable with metals, have been chosen to form the bodies of the new design rotary machine brush in the Polydura Range manufactured by the Workshop for the Blind, Oldham, Lancashire. The cylinders are made by Ferranti's Insulation Department, Hollingwood, Lancashire.

Manufactured from paper impregnated with a phenolic resin, the Ferranti rollers are lighter and less expensive than a comparable size roller manufactured in aluminium. They are almost completely chemically inert, and can be machined for a surface finish, drilled and tapped. They have good corrosion resistance properties and are ideal for a wide range of mechanical duties, replacing lightweight metal rollers.

The cylinder brushes are of unique design, in that, when the brush becomes worn only the brushing filaments have to be replaced. This replacement can be effected in a matter of minutes quite often without even having to take the roller off the machine. The complete roller does not have to be replaced.

This is because the roller is constructed with polypropylene channels fixed to its outer surface to the required brushing pattern. Into these channels slide brush strips also made from polypropylene, comprising filaments welded to a backing strip. It is only these strips of brush which need to be replaced. Also, the manufacturers guarantee that the polypropylene brush strips give at least three times the life of natural fibres.

● PLASTICS

Welding contours

TWO contour welding machines for thermoplastics are now being imported into the U.K. by Molnar Machinery of 6, The Broadway, Woking, Surrey.

First of these, known as the SIGMA, is specially designed for the automatic manufacture of such shaped items as surgical gloves, shaped covers, gramophone record bags, and cones for packing and sending bunches of flowers complete with water.

In addition to forming the articles, the machine will also automatically weld them to a paper backing to simplify subsequent packaging.

In this latter case three webs, two of the thermoplastic material and one of paper, are fed simultaneously to the machine. The specially formed die presses down on the plastic, forming the article, and simultaneously welds it to the paper web.

Two extraction spindles, one for the paper web bearing the finished article, and one for the plastic scrap, ensure complete separation.

Maximum size of articles that can be formed in this way is 70 by 70 cm, and the importer says that dies can be changed quickly and easily, so that short runs should be economical of machine time.

The second machine is designed for packing articles in plastic film, either in department stores or, particularly, in dry-cleaning establishments. It will pack garments up to a maximum shoulder width of 70 cm. complete with hangers.

With clothing, the article is placed in the machine and a [..] plastic film drawn over it. The machine then welds along the shape of the shoulder and at the same time parts the packed article from the main roll of film.

Cycle time is said to be in the region of 6 seconds, even with completely unskilled labour. Each machine has two feed reels to accommodate film for large and small articles.

Trays made quickly

BOTH sheet and foamed plastics material can be made into trays and dividers on the automatic Plastiform machine available from Edlon Machinery, Barter Street, London, W.C.1A 2AE.

Three units make up the equipment: a former, a cutter and a cutting and stacking unit. Irregular shapes made on the former are finished on the cutter and can then be taken off on a conveyor, while simpler units are processed on the cutter and stacker. A feature of the equipment is that the central cutter can be added or taken away from the basic installation as required.

Forming area is 20 by 14 in, with a draw of 3.5 in. Electronically controlled top and bottom heating elements are a standard feature, allowing the user to select both the extent and distribution of heat on the work-piece.

Output is up to 18 cycles per minute.

Less smoke using new additive

REDUCTIONS in the amoun[t of] smoke emitted by gas turb[ines] of up to 95 per cent. have b[een] achieved in tests carried out [by] Combustion Chemicals, Burw[ay] Works, Chertsey, Surrey, [..] manganese compound formul[ated] as a fuel additive.

These tests were run on [..] JP5 and JP2 fuels and showed [..] addition to the reduction [..] smoke on JP5, that the lo[w] grade fuel could be used in [cer]tain turbine applications w[here] it was previously compl[etely] unsuitable. Thus there can [be] considerable saving in fuel c[osts].

Dosage rate for the additiv[e is] about one part per thousand, [..] in this proportion it gave a s[..] reduction factor of betwee[n ..] and 50 per cent. on different [..] of turbines and on the [..] standard fuels.

River wate[r] monitor

SAMPLING PUMPS neede[d to] supply river water to the [auto]matic monitoring stations [..] in pollution control of river[s ..] available from Megator P[umps] and Compressors.

For river authorities to [..] immediate information [..] fluctuations in water quality, [..] have to use automatic moni[tor]ing stations. Megator [..] developed a unit comprisin[g ..] electrically-driven sliding [..] pump, back-flushing d[..] suction hose with coupling [..] Dolphin floating suction str[ainer].

The Megator sliding-shoe [..] can be situated at conve[nient] distances from its intake [..] and being a positive disp[lace]ment unit, it also gives a [con]stant capacity at varying [..] of water.

As one of the factors mea[sured] at monitoring stations is [dis]solved oxygen, the sam[pling] pump should be designed so [that] no air can enter through [..] gland to distort the reading. [..] Megator pump's mechanical [..] seals are always under pre[ssure] so air cannot enter.

FINANCIAL AND ACCOUNTANCY APPOINTMENTS

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age about 35 — £5000 plus

This oew appointment calls for a chartered accountant to work with the Financial Director on aspects of profitability, relating to marketing and commercial matters of a £150m. turnover British-based international company in the fast moving consumer field. Working closely with top management, the man appointed will be concerned with the evaluation of business and marketing plans including the responsibility for long range planning, new product launches, pricing structures, distribution methods, investment opportunioes, etc. His future career development could lie in the financial or general management functions. Candidates should have 4 to 5 years' professional experience which has included investigaoon work and share and takeover evaluations. Also they should have some commercial or industrial experience preferably in a consumer orientated environment. It is vital that they are capable of analysing problems and presenting reports clearly and concisely, and of operating effectively at top management level. Locaoon London: bonus: re-location assistance if appropriate: car provided. Please write or telephone for further information.
R. Llewellyn reference B.2513.

Corporate Planning
at least £4000
International Group: London based

These are pioneer appointments with an international pharmaceutical group's recently created corporate planning division. Reporting to the division's head who is responsible to the group's Chief Executive, their immediate tasks will be to criocally appraise total group plans and performance. Specific activities will include strategic planning for the co-ordinatioo of the group's total resources and appraisal of diversification and acquisitioo projects. Candidates, ideally 30 to 35, with industrial experience including corporate planning and line management should preferably be accountants or business graduates. High intellectual ability coupled with well rounded personalities are essential. Some travel will be involved. Please write or telephone for further information. R. Llewellyn reference B.2501.

Company Finance
£2750–£3750
Merchant Bank: aged 25–30

This is an opportunity to join the Company Finance Department of an established merchant bank of international reputatioo and to work oo new issues, acquisitions, mergers, reconstructions, and financial planning. The successful candidate will join a team of varying disciplines and background and will participate in the general work of the department, involving a broad range of client contact. Applicants may be qualified accountants, lawyers or graduates, but strictly relevant experience is essential; this may come from a merchant bank, the issue department of a stock broker, or the finance department of a large company. The salary prospects are good, there is a non-contributory pensioo scheme and a generous house loan scheme. Please write or telephone for further information.
R. A. Sackett reference B.2504.

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Salary £8/10,000 p.a.

This appointment calls for a man of outstanding ability with a wide experience of financial and commercial management, whose chief task will be to advise the Board as to the most appropriate and profitable use of the Company's financial resources. The Director of Finance will be directly responsible to the Managing Director and will have under his immediate control the financial accounting, cost accounting and budgetary control. The Company has a multi-million pound turnover and is engaged in medium/light engineering with a special emphasie on the design and manufacture of products for use in the aero-space industry. Serving governments and industry throughout the world, the Company has built up en international reputation for quality and integrity.

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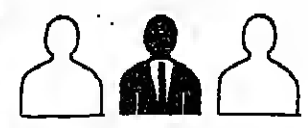

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The successful candidate will report to the Controller—Europe. He will co-ordinate collection efforts on a European level, assist companies in Europe to improve collections, investigate possibilities of centralising or factoring local receivables, prepare short and long term plans for receivables and implement proper reporting procedures.

The position requires a professional collection expert with several years' experience in similar positions. Candidates should have not only a knowledge of credit and collections but should have demonstrable experience in analysing and improving office work flow relative to receivables procedures from a production rather than a theoretical point of view. They should have a high standard of basic education and preferably some subsequent training in law, accounting or banking.

If you are action-minded, flexible, able to stress to local management, the importance of liquidity for company growth and you are aged between 25–40 with preferably one other European language besides English, please write to me, in confidence, giving full details of your past experience and background.

Mr. J. F. Farley,
Director of Personnel,
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Harmood Banner & Co.,
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by not later than 3rd August, 1971. Envelopes should be marked "PRIVATE & CONFIDENTIAL—Essex Water". Interviews will be in London.

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DEALER

Guinness Mahon, merchant bankers, have a vacancy for an international securities dealer.

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Leading American Bank requires an internal auditor for its PARIS branch. Must have sound accounting background. Preferred age late 20s to early 30s. Knowledge of French desirable.

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هكذا من الأصل

ANNUAL STATEMENTS—Continued

Vehicle and General Tribunal of Inquiry

Solvency margin in 1962

The Vehicle and General Insurance Company's accounts for 1962, when examined by the Department of Trade and Industry showed that the statutory solvency margin for that year had been substantially exceeded, the V & G Tribunal heard yesterday.

However, Mr. Peter Webster, QC, for the department, questioning Mr. Cyril Homewood, an Assistant Secretary at the DTI said there appeared to be a £46,000 discrepancy.

Referring to a minute written by one of Mr. Homewood's executive officers after examining the accounts, Mr. Webster said the statutory solvency margin required for the year was £80,000. The apparent solvency margin on the accounts was £166,000 and according to the officer's minute, expressed as a percentage the solvency margin was 14.7.

Counsel said that according to his own mathematics, such a percentage would produce £127,000 or less.

Mr. Homewood said that 14.7 per cent. produced roughly £120,000.

Asked by Mr. Webster to account for the balance of £46,000, he replied "I cannot account for it off the cuff."

Mr. Homewood said a possible explanation was that the officer included in the apparent solvency margin £10,000 from the motor vehicle additional reserve. But that would not be the complete explanation.

Mr. Norman Nail, of Epsom, a principal in the Department of Trade and Industry, was asked by a tribunal member, Mr. Michael Kerr, QC, about his role in relation to the object of legislation where there was a possibility of a future insolvency.

Mr. Nail said he had thought they had a moral obligation to try and protect the interests of policyholders, going as far as they could in standing and status to persuade companies—if they appeared to be taking a dangerous course or one that could become so—that the department had a duty to try and do something about it.

But, he added, he had been under no delusion that they had any real firm legal basis on taking the view about future insolvency.

Mr. Nail agreed with Mr. Webster that V & G's premium income in the years 1964, 1965 and 1966 was more or less evenly spread over each year. There was a slightly greater preponderance in the first half of each year. In 1967 the distribution of premium income was slightly more evenly spread, peaking in the spring and summer.

Mr. Webster referred to a department minute which commented on the apparent over-financing of the company, and which stated that the attention of the management had been drawn to the departments concerned.

Mr. Homewood, questioned on this, said the company had raised additional capital but not quite as early as the department would have wished.

Another minute extract referred to by Mr. Webster said there was no suggestion that the company's expansion had been made by any fraudulent method, but they had taken more chances than were prudent.

A further comment said it was difficult for the department to press the company more than it was doing.

Mr. Homewood told Mr. Webster he thought the V & G management had been competent but "a bit adventurous."

During discussion of the 1963 accounts, Mr. Michael Kerr, QC, one of the Tribunal members, referred to letters from the British Insurance Association to the department about V & G.

He asked Mr. Homewood whether the department had been getting letters of a similar nature from the BIA about other motor insurance companies at the same time, or whether the department was mainly discussing V & G with the BIA.

Mr. Homewood told him it was certainly going on more widely than with V & G alone, but it possibly attracted more of BIA's attention because of the rapidity of its expansion.

The bulk of correspondence was concerned with companies in the motor field. A large proportion of it certainly dealt with V & G, but there were others.

Questioned further about the 1963 accounts, Mr. Nail agreed with the chairman, Mr. Justice James, that if V & G was conducting its business and keeping its records in such a way which did not enable run-off statements to be made this would affect the accuracy of future liabilities.

The chairman: If that is so, how could you be satisfied that V & G was solvent if, in fact, you did not know whether it was putting into reserves sufficient to meet contingent liabilities which it had already undertaken to meet?

Mr. Nail: Certainly this was a missing factor in the forms regulations. There was no run-off statement prescribed in the regulations. My view was the Board had no legal power to compel companies to produce records of this sort. The only hope one had was that by pressing companies like V & G, where you wanted to keep more than normal surveillance, they would do this voluntarily.

Mr. Nail said there were relatively few complaints about V & G at this time.

The tribunal adjourned until to-day.

SOCIETY TO-DAY

The chance the Government is taking

BY JOE ROGALY

THE GOVERNMENT'S social and economic policy is now absolutely clear. The results are still open to question. If the Government is right, then the British people will realise at last that they must work harder in order to become richer. On this assumption the country really does have a chance of breaking out of the old frustrating spiral; what is more, it might then genuinely take advantage of the economic opportunities opened up by joining the EEC. But if the Government is wrong, and most people continue to feel disinclined to put more energy into their working lives (be they managers or labourers), then we will return, with a vengeance, to the barren days of "stop-go." As for the Common Market, on this pessimistic assumption, it will turn out to be a case of "enter now, pay later."

Experiment

For the central dilemma of British domestic policy remains what it has been for a generation and more: is the underlying mood one that favours rapid economic growth, given the right conditions, or is the public in search of different, less easily defined goals? I believe the answer to be the one that denies growth—yet one positive achievement that can be expected as a result of the Conservative policies that have unfolded over the past year is that now at least there is to be a national experiment, the outcome of which may go a long way towards providing hard evidence.

It is largely a question of psychology, or, if you prefer, "confidence." There are three main strands to the Government's policies, each one of which could have a marked effect on the national psyche. The first is now well-known: the application of the stick. Prices have been allowed to float free, charges for Government services have been increased, and unemployment has risen.

The second came on Monday. The word "carrot" is perhaps too much of an understatement to describe the change now ordained, which is to move Britain towards becoming a consumer-orientated society of a kind that has not been seen in this country for a decade. There are also those who believe that this was not the primary motivation, that what was really in the Government's mind was the need to win popularity while the debate on the Common Market continued. This may be so; nevertheless it is the effect of the action with which we must now be concerned rather than with what Ministers may have had in their minds last week.

Rejuvenated

And that effect is undoubtedly to increase the temptation to buy more—an inevitable feature of any economy that lifts all restrictions on hire-purchase. This could be an engine for rapid economic growth, if other circumstances prove to be right. Sticking with the optimistic view for a moment, assume that the consumer-led boom does turn out to be accompanied by that rise in productivity that alone can pay for what is to come.

If this is the way matters work out, then it may be reasonable to hope that the engine might turn over even more rapidly, as it will have to if the economy is to be saved once Britain becomes a full member of the EEC. The theory is that the allure of the business opportunities opened up by Market membership will quicken the blood of British managements and fire the enthusiasms of British workers in such a way that industry will be rejuvenated.

Now it is not necessary for non-believers to scoff at this idea. There can be no proof, either way, at this stage. It is a question of faith. It seems reasonable to assume that Mr. Heath and at least some members of his Government do honestly and sincerely believe that a combination of the stick and the golden carrot, together with entry into the EEC, will in the event really transform British attitudes and thus create what would be tantamount to a revolutionary change in our economic and social history. Those who are not possessed of this faith, as I am not, can only say, "we must wait and see."

It is, however, fair to point out some of the known obstacles in the way of the theory being proved true. These are worth examining in turn. The first is that even on the assumption that the overall rate of increase in prices is, in fact, diminished by this month's cuts in the Selective Employment and Purchase taxes, combined with the policy of voluntary price restraint by industry, there are still a number of important individual prices that may increase by amounts that many people will find hard to bear.

The price of food is likely to rise by more than the average in spite of Mr. Prior's reassuring tone in Parliament on Tuesday. This may be consonant with the food price policy of the European countries, but it is an unaccustomed burden for ordinary British families, and it is not likely to be alleviated by the measures that Mr. Barber has announced.

On top of this the Government has, for perfectly good reasons, introduced a new policy for housing, which means that many people will be expected to adjust to a high rent policy at the same time as they accustom themselves to high food prices. Rents will be increased by an average of 50p weekly every year until a "fair rent" is reached; this process will begin in the 1972-73 financial year. Now the basic assumption of the new housing policy—that the poorer tenants rather than their dwellings should be subsidised—is sound. It would be wrong to oppose it. Yet the extra 50p a week is a social factor that must be taken into account in weighing the likely outcome of the Government's general policies.

There are other built-in, guaranteed, price increases to come. School meals, about which there was such a fuss when the charge was put up by 3p to 12p in April, will go up by a further 2p in April, 1973. Sir Keith Joseph has been having difficulties with the medical and pharmaceutical professions but nevertheless remains committed to further increases in medicine charges. Income tax may be down, but for many people a noticeable amount of the gain will be accounted for in September when the price of the National Insurance stamp goes up by amounts ranging from zero (for those on £20 a week) to 38 per cent. (for those on £40.

Wage claims

And when SET finally goes, VAT will replace it. For most lower-paid workers some of these increases will be offset by rebates, exemptions, and subsidies; those on between £25 and £40 a week—the great majority of British workmen—will have to find the extra sums themselves. Mr. Barber's consumer durable boom does not meet this problem.

In this situation it is hard to see how voluntary wage restraint can have anything but a rough passage. The pressures on ordinary family budgets will continue to be felt, whatever responsible union leaders at the top may say. And the result may be different from that hoped for. Unemployment, as a stick, does not beat so painfully now that the dole is so high. The desire for more income to meet higher charges as well as newly incurred HP repayments may not necessarily be met by a willingness to work harder; the men may instead demand that unions extract more pay for the same work.

One inkling of the existence of a state of mind that excludes the work ethic that alone would make the Government's policies succeed is the speech last week by Mr. Jack Jones, General Secretary of the Transport and General Workers Union. Mr. Jones speculated aloud about the merits of a 35-hour (that is four-day) working week and pointed out that some German "economic experts" had calculated that with proper planning the work being done by the existing labour force could be carried out in 19½ hours. The idea of a four-day week, now being put into practice by some companies in America, seems ready to catch on here; it is certainly not the proposal of a production-oriented society.

Two streams

Thus for the time being the question must remain open. The present truth is probably that both streams are in flow through British society, although in years past the leisure stream has seemed to be broader and swifter-running than that which favours frenetic work. It may be that the Government is right that all that was needed was a change in economic policy (and the lure of the EEC) to bring out the talent and overwhelming strength of that part of the population that seeks to be richer by means of working harder and more intelligently. The answer is now only a General Election away.

VOLVO U.K. CAR SALES UP 37%

U.K. sales of Volvo cars in the first six months continued their strong growth pattern, a spokesman said yesterday. Registrations of 8,113 units were 37 per cent. above the same period of 1970, and more than double those in the first half of 1969.

City failed to understand technological changes—TUC

FINANCIAL TIMES REPORTER

THE TUC yesterday criticised the City for its "apparent inability" to understand changes in technological and industrial organisation. That was one of the great failures of the last 20 years, according to a TUC Memorandum of Evidence presented to the Parliamentary Sub-Committee on Trade and Industry.

Accompanied by the diffidence of the Government to intervene directly in the capital market, it had led to "severe malfunction" of the system and inhibited worthwhile long-term investment, the memorandum said.

It claimed that that situation did not apply in certain other countries. The banking system in Germany, for instance, was much more closely linked to the structure of industry. In both Italy and Japan the director role taken by Government had had a profound dynamising effect on the direction of investment.

The TUC's memorandum had recognised that there were moves within the City to improve the situation, but those were not rapid enough. The divorce between the financial and industrial sectors still had damaging consequences.

There was, it said, often a direct conflict between the interests of the City and the owners of capital, on the one hand, and those of productive industry, on the other.

A quick return

The memorandum contended that the former benefited from high interest rates, and the latter from cheap money. For the financial sector, the need for a quick return in terms of accounting profits was paramount, while industry needed a long period of consolidated investment and growth.

Moreover, although the financial sector claimed the right to steer funds into particular industries by reference to market sentiment, this was often excessively based on short-term movements on the Stock Exchange rather than to long-term growth potential.

"No attempt has been made in recent years—by way of a Royal Commission or by other means, including the TUC's proposal for the establishment of an EDC for banking, insurance and finance—to assess the value of the job being done by the merchant banks, the Stock Exchange and other financial institutions to ensure that industry seizes the investment opportunities which are available," the memorandum stated.

Such an investigation should now be put in hand.

Mr. Victor Feather, TUC general secretary, said it was suggested that there might be some inquiry as to the actual role at present played by the private money market.

"We think there is a misconception on the part of many people as to what the market is. We are suggesting that there should be a Royal Commission, for example, into the merchant banks. We think that a public eye on these, perhaps a Royal Commission, might be very helpful in forming a wider understanding of the part they play."

The TUC did not think the City should be just a closed shop for the financial experts. "Let us see what they do and what their approach is. It might well be that there will be medals pinned on people as a consequence; it may be that there is a need for some other steps to be taken."

The memorandum said in that situation the TUC would argue that there was need for a direct Government intervention in the market, through the active channelling of various forms of financial aid for investment, and through direct acquisition of equity in private companies to ensure that industrially vital investment took place.

For that reason, the TUC regretted the abolition of the Industrial Reorganisation Corporation. They believed that the establishment of a single large public agency or a series of agencies, with sufficient flexibility and control over its funds, could effectively achieve the required pattern of investment which the private sector had failed to achieve.

Retrograde step

The repeal of the Industrial Expansion Act was also a retrograde step in this context. The mechanisms under the Act were too slow acting to be ideal, but some form of machinery to channel public funds to take up private equity holdings on a selective basis was urgently needed.

They were suggesting that a single agency on the lines of the Italian IRI should be established with wide terms of reference for the promotion of industrial, technological and regional development.

They said it should have the power to provide loan capital and to purchase private company equity so as to acquire either a minority or a controlling share. It should also be empowered, subject to Parliamentary approval in a particular case, to set up new public enterprises. The day-to-day operations of the agency should not be subject to Parliamentary control, but a larger degree of accountability would be necessary than was imposed on IRI.

The memorandum went on: "The present position is that the Government is in a position of full responsibility without the ultimate power of ownership. There is only a charade of private ownership. If the decision is that these firms should be supported—that the U.K. should have an aero engine industry, a computer industry, or a shipbuilding industry which private capital will not support—then they should operate within the framework of public ownership."

The TUC argued that a much greater degree of discrimination and selectivity in the administration of financial aid to the private sector of industry was required. They said that the case of the collapse of Rolls-Royce had already shown that the Government could not stand aside entirely from industrial decisions.

Mr. Feather said the agency proposed would have the power to use a voted amount of public funds—"we think initially in the region of £500m."

He added: "Our agency would be accountable to Parliament to the same degree as a nationalised industry and would be able to use its funds for a long-term social return and not merely for financial profit."

Mr. Feather said he would put the judgment of the agency above the judgment of the City. They would have a national motive as far as the development of the economy was concerned. The City did not have and should not have that function; that was a Government function.

The banks were concerned with the best financial return. The agency would be concerned with the best financial return in the long run—the social needs of the country.

SPORT: ENGLISH AMATEUR GOLF CHAMPIONSHIP

Defending champion beate

BY BEN WRIGHT

BURNHAM-ON-SEA, July 2

THE 41st ENGLISH Amateur championship reached the stage of the last 32 here at Burnham and Berrow Golf Club this idyllic evening, and threw up several players of uncertain pedigree yet to make their mark on the game. Some of these have not done so after many years of trying. Many more are too young to have played much senior golf before.

Unappetising

The last minute withdrawal of one of the four seeds, five times champion Michael Bonallack, had given the championship the unappetising look of a plateful of roast beef without horse-radish. To-day it was further denuded of class by the morning demise of defending champion Dr. David Marsh, beaten by Clive Woodford at the 20th hole, and by this afternoon's defeat of Michael King, a Walker Cup debutante in Milwaukee in 1969, and more lately an undefeated member of England's European team championship winnig side in Lausanne.

King, who would have been seeded had more than four been planted, was beaten by the Burnham club champion Captian Tony Hill, also a captain of Somerst, who won by two holes.

So only two seeds remain, 19-year-old Warren Humphreys and Geoffrey Marks, both Walker Cup players who, like Marsh, shared in Britain's famous May victory. I am happy to report their continued progress here is in much the same style as that achieved at St. Andrews.

To-day Humphreys won his second successive match by the satisfactory margin of six and five, beating veteran Tony Slark. Humphreys won the first four holes, had chances of threes at the first five, and was three under par for the holes required, against four under yesterday. Marks lost his first hole of the championship this afternoon at the seventh but was still two up at the turn. He drew impressively clear with birdies at the 13th and 14th for victory by four and three over Nigel Sumner, and looks mighty solid.

The greens here have been preserved during the prolonged drought and brought to a pitch of excellence by the discreet use of a pop-up watering system that has made them fast, true and well nigh perfect in texture. The fairways are burned almost white, however. To-day there was hardly a breath of breeze to dispel the steamy heat and this lovely course, with its abundance of giant sand hills and buckthorne bushes, could hardly have played easier.

In the circumstances Marsh did not putt half well enough against Woodford, a beanpole of a man who stands 6 feet 6 inches tall. He has specially lengthened clubs and is a civil service auditor who has never before played in this event. Also a Surrey County player, Woodford first made his mark by finishing eighth in the Brabazon Trophy cut short by the weather at Walton Heath in 1968. At 24 years of age he is a player of high promise, as could be said of several others in the last 32.

As so often happens when a player does not take early chances on the greens, the rest of his game eventually yields to the dual pressures exerted by himself and his opponent. This happened to Marsh to-day. He holed from 25 feet on the first green for a birdie to win the hole, but thereafter failed to seize several easier opportunities, and turned one down. He lost the seventh hole by taking three shots from the edge of the green and the ninth, where Woodford struck a fine seven iron shot 12 feet from the hole and made his two. The tall Surrey man pressed home his advantage by taking the 10th and 11th holes for good measure. Marsh hooked his second shot to lose the former, and took three more untidy shots from just short of the 11th green.

Revival

The title holder then staged a glorious revival that squared the match in the next three holes. At the 12th, where Woodford hunkered his drive on the right, Marsh stroked a superb two iron shot six feet from the hole. At the 13th Woodford hooked his second shot on to the bank with Marsh five feet from the hole in two—this time having hit a great stroke with his seven iron. At the short 14th Marsh rolled in a six-foot putt for a two, and it now seemed he had taken control of his destiny.

Alas, he hooked his second shot far through the 15th green and lost the ball in rough fully waist high. Woodford missed from four feet to go two ahead at the next, with two to play. Marsh refused to be beaten and took the 17th hole by bravely getting down in two shots from the sand. Woodford drove too far through the fairway at the last, came up left of the green with his six iron and was forced to hole from 18 feet to go to extra time. The 19th was halved, and then both men squeezed every ounce drama out of the 20th.

Woodford pushed his d here on to a mound from w he came up short with his iron—a good shot in the circ stances—with the ball three above his feet. Marsh had better drive, but he pushed second shot, and then thinne chip over the green. Wood meanwhile had chipped to feet. Marsh's next effort also suspiciously thin, but ball struck the pin and sto dead. To his great credit W ford holed his putt to beat champion

The much improved King always been suspect under sure in match play, but on occasion he was rather unl against Hill, a 35-year-old s broker who holed some ki putts, and played most resol over the last five holes once got his nose in front. bespectacled Hill normally a "ping" putter. But on r ing the first tee to-day he f it was missing. He was fo to rush to the car to fet "silver swan," with its he big metal head which he w with the skill of a magic wand, although it is m since he had used it.

After the preliminary mishing King won the 8th 9th holes to turn one up. Hill, who had kept on term the skilful use of his putter, struck a telling blow by si a 25-foot putt for an eagle to King's birdie at the 12t square the match. King his first mistake of consequ by bunkering his second sh the 13th. He skinned the out of the bunker and lost hole to go one down.

Hill played a masterly and a 4 foot putt to grab a in three at the next. He through the 16th green, bu chip from a horrible spot hi hole—and that was halved.

Suicide

Hill appeared to have sh bolt when he putted eight past the hole down the hill the back of the 17th green with great calm he holed return, and then King comm suicide. He came off his to the last hole and watched visible agony as the ball s away into a deep clump of thorne bushes. It was found King was forced to take the lonely walk back to the tee. time his drive was perfec the second shot—his fourth—anything but, and afte similarly weak chip King h out with a wry smile.

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DECLARATION OF DIVIDEND No. 14

Notice is hereby given that dividend No. 14 of 7½ cents per share for the year ended 30th June 1971, has been declared payable to shareholders registered in the books of the company at the close of business on 6th August 1971. [illegible]

	1971	1970
Investment income	167 784	165 199
Interest received	3 040	653
Surplus on realisation of investments	50 895	1 781
	221 719	167 671
Deduct:		
Administration expenses	21 137	23 438
Interest paid	301	2 133
	21 438	25 571
Net profit	200 281	142 100
Dividend No. 14 of 7½ cents per share (6.5c)	132 880	114 815
Retained profit	67 401	27 285
Transfer to general reserve	60 000	30 000
	7 401	[illegible]
Unappropriated profit from previous year	31 318	31 626
Unappropriated profit, 30th June 1971	38 719	31 810

By order of the board,
ANGLO AMERICAN CORPORATION OF SOUTH AFRICA, LIMITED
London Secretaries
J. R. Byles
London Office:
40, Holborn Viaduct, EC1P 1AJ.
21st July, 1971.

BANK OF MONTREAL

Established 1817

DIVIDEND NO. 450

NOTICE IS HEREBY GIVEN that a DIVIDEND of NINETEEN CENTS per share upon the paid-up Capital Stock of this Institution has been declared for the current quarter, PAYABLE on and after Wednesday, the first day of September next to shareholders of record at the close of business on the 30th day of July, 1971.

By Order of the Board,
R. W. HARRIS,
Vice-President and Secretary.
Montreal, June 24th 1971.

COMMON BROTHERS LIMITED

NOTICE IS HEREBY GIVEN that the Share and TRANSFER REGISTERS of this Company will be CLOSED from Monday, 26th July 1971 to Friday 30th July 1971, both dates inclusive, for the preparation of warrants for the Final Dividend [illegible]

By Order of the Board,
C. J. DAWSON,
Secretary and Registrar.
Newcastle upon Tyne. NE1 3AB.

NICHOLAS INTERNATIONAL LIMITED

NOTICE IS HEREBY GIVEN that the Transfer Register and Register of Members of Ordinary Shares will be closed from 9 a.m. on 12th August to 9 a.m. 13th August 1971. [illegible]
R. A. OLDING, Secretary.

TAYLOR & HARTLEY GROUP LIMITED

NOTICE IS HEREBY GIVEN that the Ordinary Transfer Registers will be closed from 9th August, 1971 to 10th August, 1971 both days inclusive.
JAMES MESTON & CO.
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Gilbert House,
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Advertising and...

DISTRIBUTION

Second try for Phonodisc

BY ANTONY THORNCROFT

"AUTOMATED warehouse" are not particularly gripping words. They only really make sense when related to the amount of cash that a company can lose through poor stock control and distribution. And with a hit of luck Polydor-Phillips, the record company, will shortly provide an informative case history. A year or so ago Polydor could easily be forced to write off as obsolete 3m. records annually. They might have been sold eventually—at a knock-down price, but they ruined the overall cost and profit forecasts. In short, they were an expensive drain on resources.

To-day the company claims that its wastage is minimal. And the turn round is attribnted to Phonodisc, its selling wing, based at a new Ilford warehouse, or distribution centre as they prefer to call it. This substantial hlock is huilt aromd a compnter. Orders for records are phoned in hy retailers; girls convert them to puncb cards; these are fed into a computer, which produces an itemised order; the orders are selected from the shelves and packaged. Up to 3,000 orders (involving 60,000 records) might be received each day, and in 97 per cent. of the cases the packs will he collected from the warehouse the same day for delivery the next in the hig urhan centres or within 48 bours in the more remote regions.

But how does the computer belp? After all in theory a team of girls could sort out and pack the records. The major contribution of the computer is to supply continuous information on the number of records in stock. There are currently 8,000 catalogue numbers availeble and without the machine it would be impossible to control the inventory. As a result when a potentially popular record comes out Polydor need only press 5,000 initially, and increase production in line with retailers' demand. In the past perhaps 50,000 would have heen pressed: sometimes the record failed to sell well and 40,000 were left unsold. As the factory is only six miles from the warehouse there is no problem of securing supplies within 24 hours. The computer only passes down orders for despatch up to the number of that particular record the warehouse has in stock. In the 3 per cent. of cases when the record is no longer available the retailers' request goes to back order so he is first in line when the now supplies come in. Even In these cases a relailer is supplied within 48 hours.

As a result, in the Polydor factory, fewer preases are producing more records. There is one prohlem—the production machinery is not heing always used to full capacity. But the compaay has now launched a new budget label of back material called Rendezvous which is expected to sell well around Christmas: these records can he pressed now to keep the machinery husy.

Apart from reducing wastage the computer secures more businesa. In the past if an ordered record was not in stock the retailer would have to re-order it, and be might forget. Now his request goes on the back order schedule. The computer also produces a packaging note, a despatch note and an invoice, which is sent to the retailer and thus avoids disputes about the order. It is fed information ahout In deht retailers and can withhold supplies. There is, in fact, an overall improvement in the cash flow situation. In time the actual selection and packing of the records will be aulomated.

To-day LPs account for two thirds of most record companies revenue. The computer helps here. For LPs a aales force is used to collecl orders from retailers hefore the records are pressed. Within a week of collecting the initial orders the programmed computer can advise the factory on production. After two weeks of selling in the computer can forecast to within 5 per cent. accuracy what thst records aale will ha in tha first two months.

The new warehouse has heen in operation for just over a month. It is certainly an improvement over Phonodisc's previous attempt at automated deapatch with a computer last year. The computer went haywire and the company was forced to revert to a manual system. The 4,500 record retailers had to wait for their records and the company picked up a pack of had will. The cost of the centre is ahout £750,000 hut to-day distrihution is the big cost item in the record industry. If a company cannot get its distribution right it can hardly make profits. Both EMI and CBS have moved over to central warehouses serving the whole country rather than a costly system of regional centres. They also bave computers, but have not placed snch a burden upon them as Polydor Phillips.

The completed packs of records pass along to despatch. Phonodisc used to employ the distribution vans of its Phillips parent, but records do not sell well with consumer durables. Now the company uses a local delivery firm for London and the Home Counties, the De La Rue subsidiary Courier Express for the main urban centres, and British Rail's Red Star for the rest of the country.

UNIVERSITY VIEW

Marketing comes down to earth

BY ANTONY THORNCROFT

MARKETING is currently out of fashion. Of course for the bulk of British companies it has never fbeen in fashion. But to-day eveo the bundred or so major companies that bave thought through the Implications of a marketing approach to business are looking towards financial experts rather than marketing men to solve their problems.

Marketing solutions — basic market research, prodoct innovation, large scale advertising—are essentially long-term, whereas companies are searching desperately for short-term cost savings. And these are usually made at the expense of the marketing directors hudget—less research, less advertising, fewer new products. If, as Procter and Gamble likes to explain it, "the marketing director is the consumer's representative within the company" the consumer has had a bad time of it lately.

Premium product

The recession does not seem to be worrying those keepers of the country's marketing conscious—the business schools. But it has affected their policies. At Bradford Gordon Wills heads what is probably the best known academic marketing centre in the country. Over the years he has attempted to market the school as you would market a oew product, and he reckons that a few years ago he achieved brand leadership for Bradford. He then decided to sell the school as a premium product, operating near the frontiers of marketing knowledge rather than turning out masses of marketing men full to the hrim with techniques. Now the recession has affected sales. Most companies have halved their training budgets this year and Bradford has had to re-think its course programme. Out have gone the academic seminars—to be replaced by hread and butter introductory courses in marketing. Gordon Wills has done what a good marketing man should—he has modified his product to suit a changing market.

But the recession, like any recession, has its advantages. It has raised the calibre of applicants who want to stay on at university and undertake a marketing course; and it enables some stock-taking. What does Gordon Wills helieve that Bradford has done for British marketing in the last five years? Well, it has supplied a few hundred marketing graduates "none of whom has achieved any miracles" but who collectively should have strengthened middle management.

But in the area of research how has it helped? Well, it has forced a link hetween marketing and research and development, especially in the area of technological forecasting. In the past marketing was synonymous with marketing research, in other words dead data. New companies are placing a marketing man along with the forward planners.

Secondly, and perhaps of most importance, Bradford has hoped to prove that no business theory fits the facts, that in practice no one handles test marketing as it appears in the text books. Companies are fallible, and managers are more concerned about being happy than about achieving their full business potential. For example, Gordon Wills has come across only six companies that hava a total approach to marketing. Most have marketing managers and promotions managers and advertising managers who operate more or less as equals. In another sphere few companies refer back to their own past experiences in launching new products when developing more hrands. In short, companies are far from perfect so it is silly to teach students that they are.

This realism reveals itself in some current research that Bradford is undertaking into advertising effectiveness. Gordon Wills does not expect when he has spent the £27,000 he has beeo given to be ahle to say "this is how advertising works." What he will he able to do is to point to how companies actually measure the effectiveness of their advertising—with all their faults. In the same way a recent survey into market research showed that companies were running down their own departments and turning to outside consultancies for the field work. So Bradford is not answering questions—it is showing it how it is and supplying the information whereby companies can judge their own performance against their competitors.

There are other research projects in band—for Unilever on how improved education affects consumption; for the Thomson Organisation on who makes the buying decisions in companies; for NEDDO on corporate images. It has recently conducted a survey on marketing in Eastern Europe which turned up the interesting fact that there is more advertising on Polish television than on British (although it is really introducing new products)

Bradford has not produced an individual or made a scientific breakthrough which has revolutionised British marketing. But it has, along with the other business schools, sent out intellectually mature managers to prop up top management, and the facts and theories developed there have increased the confidence of businessmen.

Holiday on the bank

By Pamela Judge

"ENJOY a winter holiday at your bank manager's expense." Almost certainly this is the first U.S.-style incentive advertising in the U.K. in this field. But it is not by one of the joint stock banks—it comes from Bahamas-registered National Union Bank, a memher of Bryanston Finance Group.

A £1,000 minimum deposit "makes you eligible for the opportunity of a two-week Mediterraneao holiday for two, free." The money has to he in the hank for three months. It is the first in a series of promotions hut not all will offer holidays. In all seven publications are to be uaed "prior to national advertising."

Originally NUB gave the Bank of England an undertaking that it would not advertise and there was some discussion as to Whether the name was "too presumptuous." Now the Bank has said that NUB can go ahead with its campaign. Apart from depoalts, Smith hopes that the advertising (handled hy Kingscott) will also get the name well known. So far there have been over 60 replies and 5 lots of deposits.

The Midland's view is that such advertising is a question of coat-effectiveness, but it is "continually watching the situation although at present there are no firm plans." At Barclays the possibility of incentive advertising is not ruled out but "it would not be on U.S. lines." It has given away kits for students and Barclaycard merchants bave heen ahle to enter contests for holidays. Lloyds gives away maps to students hut has "no other plans."

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The Marketing Scene

Philips TV attack

ONE of the fastest movers following the purchase tax reductions and HP relaxation was Philips. On Tuesday a van swept out of the London office carrying virtually the entire range of appliances and by 5.30 filming had started at Thames TV's Teddington studios. (Thames had put the idea to Philips.)

Filming went on until around 9 when the commercials were vetted and cleared. They went out twice, both lasting 30 seconds, at 9.26 and 9.58 and they were networked. At an estimate the cost was £12,000.

Other advertisers included Woolworths, the London and Woolwich Co-operative Societies and the London Gas Boards. There does not seem to have been the same urgency in the regions. Granada had nothing to report and neither had Southern. But Yorkshire and Tyne Tees had some department stores.

The message is in the rubbish

Following my article last week on the wastage in direct mail I was sent a waste paper basket. But I am sure it was more of a gift than a hint, and even more a promotional ploy for Moss and Clark. This is a company which deals in direct mail concepts. It knows that much traditional ider direct mail, in the form of letters, gets thrown in the waste paper basket so it sent me its message stuck to a waste paper basket which is not so easily disposed of.

But then in many of its direct mail shots it uses objects. At their former agency Moss and Clark worked on an idea for sending 400 rugby balls to consulting engineers on behalf of a civil engineering contractor, each with the inevitable sales line "unless you give us a try how can we convert you." Another idea involved egg timers for a supplier of wire fencing ("prove our three minute service for yourself"). Moss and Clark has one client at the moment but if its ideas do not get too costly (each rugby ball shot was costed at £10) it should soon acquire more.

A.T.

Texaco goes to CDP

BY ELINOR GOODMAN

COLLETT Dickenson Pearce has won the Texaco petrol account from KMPH after nine months of pitching for the business. The account, which is said to be worth between £300,000 and £500,000 this year, was won in competition with five other agencies, including Texaco's agency in the States, Benton and Bowles, Hobson Bates International and KMPH.

The move means that KMPH has lost one of its oldest accounts and one for which it has done some of its best known work. Before the Regent name was changed to Texaco in 1968, it was the famous Regent cowgirl, pump thrust out before her, who helped draw attention to KMPH, then a relatively new agency.

The actual name change itself was graphically illustrated in the series of ads showing tent being ripped off a petrol station, but since then the above-the-line expenditure has been cut back, and various holding campaigns have been run aimed at positioning Texaco as one of the big international petrol companies.

But though the Texaco name has become well known, there seems to be a feeling within the company that it still lacks definition. In market share terms, Texaco is, as Regent was before it, number five in the market just after BP. But according to most estimates its present brand share is slightly less than the 8 per cent. it held before the name change.

In view of the amount of money spent below-the-line by petrol companies, and the amount of servicing this involves, it may seem surprising that Texaco has moved to Colletts. But as Texaco point out, it does have its own promotional department.

For Colletts, Texaco fills a valuable hole in its account list. It has been actively trying to get a petrol account for some months and first approached Texaco last November. More recently it has also been involved in the presentations for BP (which moved agencies last week) and is said to have been a close second to BBDO.

Another big account at CDP is Monsanto Textiles which has been looking at other agencies—indeed it was approached by a "surprising number" according to Henry Taylor who manages the company's advertising and promotion in the U.K. But the cause of all the flurry was not the obvious one. Monsanto has a subsidiary called Lansil in Lancs. and it asked Monsanto for help in looking for a new agency. Eventually the choice was down to two and now one has been chosen—CDP.

More names to remember

THERE has never been a year like this for starting new advertising agencies. The latest, opening its doors to-day, is Mallerman Summerfield James. It follows fast on the heels of Michael Bungey, Byfield Mead, Geoffrey Cridland, and the agencies started by the unhappy executives who left Crawfords.

Why this bunch of fresh agencies? "There is a growing discontent by clients with existing agencies," says Tony Mallerman, who was creative director of Roydds before setting up on his own with ex-CPV new business man Malcolm Summerfield and former Doyle Dane media supervisor Ken James. This is reflected in much more mobility by advertisers. In addition companies are more prepared to give business to new and small agencies. So now is a good time to set up shop.

Mallerman Summerfield James already has two clients billing £300,000 a year between them. These will keep them in food for a year, if need be, and pay the rent at their Bond Street offices. They are also after another £500,000 worth of business. Their aim is grocery accounts and their watchword is profitability. They believe there is a lot of slack in middle sized agencies and they are determined to show their clients that mutual profits is the only key to success advertising. So astringent and anti-flab—that is the image of Mallerman Summerfield James.

A. T.

AGENCY NEWS

THE MERRY-GO-ROUND of account switching never stops—even though it is high summer and it might be reasonable to expect a pause. Some well known names are involved in the latest hatch although the budgets are not all that big.

Lotus Cars has gone to Hicks Oubridge. Last year's advertising was worth about £37,000 but as a spokesman said yesterday "we spend when necessary but rely more on publicity such as road tests." HO won against three other agencies. Industrial Publicity Services ceased to act for Lotus at Christmas and the gap has been filled until now by Monitor.

Aalders Marchant Weinreich has won three—Punt e Mes aperitif (an appointment by Bass Charrington Vintners), Givenchy perfumes and Alecto International galleries.

Burberrys too is looking at agencies. The wholesale side has been placed with David Hutton Associates. Where the retail side will go has yet to be decided but it is possible the same agency will get it.

● Canned food manufacturer Robert Wilson and Sons, Scotland, is now with Struthers Advertising and Marketing.

● Benton and Bowles has been appointed to handle Salter Housewares.

INDUSTRIAL MARKETING

Research holds a candle to the gloom

BY ANTONY THORNCROFT, MARKETING EDITOR

YOU do not need market research to tell you that the market research industry is in a bad way. Companies just cannot afford to spend money on discovering what consumers think of them, or what the prospects are for new products, or how to diversify most effectively. Even if they commissioned the market research they could not afford to act on its findings. Of course Aubrey Wilson, of Industrial Market Research, says "this is the time when companies cannot afford not to conduct research." But then he is biased.

Depressing activity

Just how bad the past year has been for many research firms can be guaged by the fact that it has even affected industrial market research. In theory industrial market research has such a vast scope for development that it cannot fail to grow. In value terms trade in industrial goods is three times the size of trade in consumer goods yet only a tiny percentage of companies in the capital goods industries have become aware of market research. The potential is almost limitless: the current activity very depressing. Even large industrial companies which base investment decisions on research have cut back. Vickers, Air Products, G.E.C., Reed-Texas Instruments are just a handful of the companies that have recently run down their market research staffs.

On the surface it would seem that a curtailment in internal market research (which has also occurred among consumer goods manufacturers) would assist the outside consultancies. The one man remaining after the shake out would go outside for research when it was wanted. In practice all research projects are being postponed. As one independent researcher puts it: "I have never known business so hesitant." the average gap between enquiries and the signed deal has almost doubled. Perhaps business will pick up by the end of the year but as yet there is no sign of it.

So the small band of industrial market research firms, led by the EIU, IMR, Marketing and Economic Research, Interplan and Business Intelligence Services, are having to examine their own affairs to decide how to adapt to a reduced growth rate. At the same time there is competition from consumer research firms, like BMRB, who are attracted by the untapped industrial market. But the feeling is that while consumer research is a science, based on strict data samples, industrial research is more of an art.

The reaction of Industrial Market Research to the domestic freeze has been to take its art overseas. Over 60 per cent. of its work now is abroad, covering assignments for the Government of Mauritius on tourism possibilities and whether a client should build a hotel in Hamburg. BIS is very similar, looking overseas for two-thirds of its business. Marketing and Economic Research on the other hand has decided to keep itself small so that the directors can supervise every assignment. It has also concentrated on work for British companies who want to know about EEC markets (there are Government grants for such investigations), image studies, and the print industry.

But as managing director Eric Shankelman points out "there are dangers in getting too specialised." A few years ago it was the fashion in industrial market research to corner a market—the companies who did so have since realised that they became too dependent on the prosperity of that industry. A more general approach, using the techniques you perfected in your survey of the electric pump industry to help your study of new resins, seems to be safer.

Aubrey Wilson says his desk is crammed with potential clients who are delaying decisions, and

There is perhaps a middle way. Business Intelligence Services,

Aubrey Wilson

for example, concentrates in just four markets—paper and packaging, chemicals, building materials and some electrical, but reckons its expertise here makes its questioners welcome when they quiz companies. BIS also concentrates on joint surveys, whereby a collection of companies finance the research. In general, joint surveys are less popular these days. Companies tend to be dissatisfied with a general report; or to insist on costly private sub-reports. And for the market research companies joint surveys are costly to sell, and, to be effective, the research company must interpret the results to the participants rather than leave them with a mass of facts. So some joint surveys succeed while others fail. IMR did well with a hydraulics industry survey which needed eight participants to break even and got 14 (and had some measurable effects—one company withdrew from the industry subsequently and another decided not to expand); but a survey on chemical plant never got off the ground.

Inauguration

Obviously joint surveys are suffering from the overall recession. The same goes for acquisition surveys. At one time industrial market research firms were inundated with assignments from clients to find suitable companies to buy. A string of losses following such purchases has dampened enthusiasm here. Unsophisticated image studies are also harder to come by but companies often request reputation studies as a first step in market research. They want to know why they have lost a particular company as a customer; or why orders are down from another. The market research firms can go to the customers and discover their real opinion of the client.

Aubrey Wilson, for one, supports this approach to image studies. "The old question of 'how big is our market?' is not really important. What really matters is 'how are we seen?' Are we credible?" So although industrial research inside companies may have shrunk by half to around £10m. in the past two years (with the outside agencies contributing perhaps £2m. of turnover) at least the right questions are now being asked. The marketing message is at last getting through to capital goods companies and this means basically a market research approach.

Market research is the most important and the most developed aspect of industrial marketing. Eric Shankelman says "even a company which has been steadily supplying a component to a big manufacturer for years should not get complacent. It should contantly be investigating an alternative customer or product." He quotes the example of a supplier to a castings manufacturer who suddenly enlarged his castings and ruined the small supplier. It is such examples which are making industrial companies sit up and take notice.

So the cause of industrial marketing edges forward, with market research as the catalyst. Shankelman believes many companies could carry out their own initial research, using monitoring methods, and ensuring that their salesmen act as researchers into customer attitudes. They should only call in the outside firms for the more sophisticated tasks like how to price a new product or what uses are there for this new chemical.

Beacon

And the market research firms could broaden their field of activity. Some, like MER, are already examining the effectiveness of industrial advertising; others, like IMR, are dealing with enquiries from companies for information about the new areas of future business profitability (tourism has replaced pollution control and EVR as the big potential market) and is also looking at marketing service industries; the EIU is supreme in the big feasibility studies for Governments; and BIS is advising American clients on the prospects in an enlarged EEC. Industrial market research remains the one tangible and encouraging beacon in the still murky field of industrial marketing. And at least the recession has helped them to solve their major problem—recruiting and holding competent staff.

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THURSDAY JULY 22 1971

A reversal of policy

[SIN]CE the Chancellor's statement on Monday public discussion has tended to concentrate on his basic demand management problem. Has he done too much or too little, was the timing right, are the unions likely to moderate their wage claims following the CBI initiative on prices? These macro-economic questions apart, though, there is one area in which the Chancellor in fact announced a dramatic reversal of a policy which successive Governments have tried to implement for years past, that of ensuring that the nationalised industries should be run as commercial undertakings without Government interference in their business decisions.

As Mr. Barber told the House of Commons, the Government expressed the view to the chairmen of the nationalised industries that these should be ready to match the CBI offer by applying the same restraint on prices on the same conditions. The chairmen duly agreed after having been told that their investment programmes would not be affected, that they would be able to borrow additional funds from the National Loans Fund and that "Government control over the industries will not on that account be increased."

[Ab]andoned

What this means is that the financial targets to which the nationalised industries have been working have been abandoned. A greater proportion of capital spending and any losses made will have to be financed by borrowing. In due course the interest payable on additional loans will either have to be passed on in price increases on top of those required to restore adequate profitability, or alternatively the Government will have to write off some of the debts. The doctrine that the nationalised industries should be accountable in the way that any other commercial undertaking has to be will no longer be applied.

It is quite true of course that the doctrine has not always been strictly observed by Governments in the past. It is also true that in the famous statement on inflation issued by Mr. Heath just before the last election direct action on prices was proposed. This was to consist of a reduction of taxes which bore directly on prices and costs while "taking a firm grip on public sector prices and charges such as coal, steel, gas, electricity, transport and postal charges."

Until this week, however, the approach had been a piecemeal one. The Steel Corporation was stopped from raising prices by the full amount it considered necessary. The rise in the domestic electricity tariff was held down and the Post Office was prevented from increasing some of its charges by as much as it wanted to. But in theory at least the financial targets lived on, even though their attainment had been made impossible.

Now even the pretence has been abandoned. This is bound to be a blow to the morale of the nationalised industries. It may make it more difficult for them to resist wage claims in future, since they can no longer plead commercial necessity. And, though the Government may vow not to interfere in management, the relationship between Ministers and the chairmen of the nationalised industries must be affected. However much the paymaster may claim that he will not call the tune, both sides must be conscious of where the money has to come from.

Heavy price

The reversal of policy has come at a time when virtually every nationalised industry is in financial trouble. Most of them had price increases in the pipeline. The net result of what has now been agreed is that they will have to borrow an additional £200m. to £300m. in the current financial year. This is bound to make it more difficult for the Chancellor to exercise control over the money supply. Whatever contribution the exercise of price restraint by the nationalised industries may make to easing the inflationary pressures it will have been purchased at a heavy price.

[P]ublic sector [c]laims

[TRA]DE UNION leaders have argued that they could not [hope] to persuade their members [to m]oderate their wage claims [while] prices were rising rapidly [and] that the best solution to the [count]ry's economic problems [was t]o aim at a faster rate of [grow]th. Action has now been [taken] to slow down the rise in [prices] and the Chancellor is [hopi]ng to push up the rate of [econo]mic growth from 3 to 4-4½ [per cent]. It is not unreasonable [that] he should now look to the [unions] for some response.

Ministers are not, in fact, [expec]ting any dramatic gestures [from] the TUC in the immediate [future]. Next month's meeting [of th]e National Economic Development Council will no doubt [be c]ordial but is unlikely to [produ]ce any surprises. The [gener]al feeling seems to be that [if th]e action taken by the CBI [and t]he Government is successful [in] slowing down the pace of inflation, the size of union [d]emands will automatically [fall] off.

[De-e]scalation

[In t]his situation it is clearly [impor]tant that the Government [shoul]d not relax its own efforts [to ens]ure that there is a steady [reduct]ion in the size of wage increases. It has had some success. The average size of wage [settle]ments has recently been [runnin]g at about 9 per cent., [which] is a good deal better than [last ye]ar's experience. But there [is stil]l a long way to go, and [the C]hancellor's measures are [design]ed to make wage restraint [more] palatable. Mr. Carr, speaking in the economic debate [earlier] this week, clearly recognised this. The policy of progressive de-escalation, he said, [would] remain essential in the [future] and would be intensified [rather] than relaxed. The Government would therefore take as [an] overriding aim in all pay [negoti]ations for which they were [respon]sible the need to bring [about] a substantial and progressive reduction in the level of [settlem]ents, and they would [urge] all other public and private sector employers to adopt [the sa]me approach.

It so happens that three important public sector pay claims are in the news this week. Civil service industrial workers have been made a final offer of an 8 per cent. increase. They have not yet agreed to accept it, but the odds are that they will settle for something close to this figure. Local government staff have just rejected an 8 per cent. offer made in reply to a 14 per cent. claim, but they are to see the employers again later this week.

Cost-of-living

The most interesting claim, however, is to be put forward to-day on behalf of local government manual workers. It is interesting because these workers have gone on strike two years in succession in support of a pay claim and have not lost from their militancy. Many members of the public will remember vividly the effect of last year's dustmen's strike: Ministers will certainly recall the action of the Scamp Committee in awarding the strikers an increase of 15 per cent. on the grounds that one could not stop inflation by standing up to individual claims.

But we have had Wilberforce since Scamp. The climate of opinion has changed and it is not certain either that the local authority workers are in a militant mood or that they would attract much sympathy if they were to strike yet again. The present agreement does not, in any case expire until November. The unions have plenty of time in which to see how things develop and will not ask for a particular figure at this stage. They will, however, be raising the question of a threshold agreement—a procedure much favoured by the TUC under which wages are automatically increased if the cost of living rises by more than an agreed amount. At present it is still rising at an annual rate of nearly 10 per cent. It remains to be seen, with world food prices on the increase, whether the CBI and the Chancellor will be able to make a sizeable reduction in that rate by the autumn.

To five food sectors—with a total retail sales value of £900m. a year—the purchase tax reduction looks too big to ignore, but far from easy to pass on

Where the tax cut spells a pricing dilemma

BY KELSEY van MUSSCHENBROEK

THIS week, purchase tax on food has been reduced for the first time since it was extended to a number of selected products in 1962. The 22 per cent. tax on confectionery, soft drinks, ice cream, potato crisps and nuts and pet foods has come down to 18 per cent. Retail sales of all these products are in excess of £900m. a year, and the tax involved is some £123m. at the old rate.

The food manufacturers concerned are naturally pleased that the tax burden will be lessened probably by at least £22m. in a full year, but their pleasure is marred by the fact that, up or down, purchase tax movements are a practical and often costly nightmare. "Too big to be ignored, but too small to be really significant," was how one major food company summed up the pricing dilemma which Mr. Barber has posed for its products.

	RETAIL SALES £m. p.a.	TAX PAID £m. p.a.
Confectionery	422	57
Ice cream	86	11
Soft-drinks	215	33
Nuts, crisps, etc.	105	10*
Pet foods	110	12*

* Estimated in a full year

Played havoc with growth

That is not all. During the last nine years purchase tax has played havoc with growth, led to sudden and unexpected shifts in the market place and generally hung like the sword of Damocles over even the most thorough sales and marketing plans. Obviously, the food industry would have preferred the tax to have been withdrawn altogether.

But since Mr. Barber has produced only a reduction, the two main problems currently confronting the companies concerned are made that much more difficult. In the short term, they have to decide how to reflect the lower tax rate as quickly as possible; in the longer-term, there is the question of whether any meaningful resumption of growth can be expected as a result of the Chancellor's handout.

In a report on the food industry published late last year, the Food Manufacturers' Little Neddy made no secret of its dislike of purchase tax. The report stressed that large amounts of food were bought in units of low value and price "which imposes rigidities in respect of price adjustments."

Citing confectionery as an example, the report pointed out that in 1969 some 88 per cent. of the 8,400m. unit purchases made were of items priced at 1s (5p) or less. Because of this, individual prices could not be adjusted accurately to take account of tax changes, so that the weight of the product had to be altered, which took time. Machinery, moulds, equipment, wrappers, labels and price lists—all these have to be altered. Moreover, with decimalisation any "fine tuning" of low priced items becomes almost impossible.

While Cadbury Schweppes and Rowntree Mackintosh have been able to reduce prices on their more expensive confectionery lines fairly easily, they are having to go back to the production line to make the change for their cheaper, large volume products. Overall, the cost of the change will set Cadbury Schweppes back around £300,000.

The potato crisp manufacturers are faced with a similar problem. Imperial Tobacco's Golden Wonder offshoot indicated this week that it was looking at the possibility of increasing the weight of a standard packet of crisps, now retailing at a recommended price of 3p.

In the soft drinks and pet food business things are not even that simple. How, for example, do you pass on the 2p purchase tax reduction on a dozen medium-sized bottles of tonic water? Or what do you do about the 7½p purchase tax that used to be payable on a 48-tin case of canned cat food? The short answer is that you have to rely on the distributor to pass on the tax saving in the way that he thinks best. In these cases, the manufacturer can only invoice his customer at the lower tax rate, and trust that competition in the High Street will do the rest.

Just how manufacturers view their short-term problems depends largely on whether they can see any long-term gains from lower purchase tax. Here the confectionery industry seems to be the most optimistic. "You could not say that we don't welcome the disruption," says Cadbury Schweppes. By cutting the price of its half-pound chocolate blocks and boosting the size of its small items ("count lines"), Cadbury is hopeful that chocolate confectionery will regain some of the ground lost to less profitable sugar confectionary in recent years.

In 1965, for example, chocolate products accounted for 55 per cent. of the total domestic confectionery market; last year that share had been whittled down to just over 50 per cent. Of course, rapidly rising raw material costs (especially cocoa) were a major reason, but increases in purchase tax hardly helped matters.

Confectionery trade down

Last year, in fact, more expensive cocoa and the peak 22 per cent. purchase tax rate resulted in a drop in domestic chocolate sales for the third year running—which pulled the entire confectionery trade down by 2 per cent. in real terms. Now that cocoa prices are once again moving in the industry's favour, this week's purchase tax reduction could not have been better timed.

The ice cream industry is somewhat less excited. Ice cream is still a highly seasonal business, even though greater efforts are being made to iron out the mid-year peak by pushing ice cream through grocery outlets and selling it as a year-round dessert. By now probably two-thirds of the year's sales have been made, so that the selective price cuts in ice cream have come too late to produce any great revival in 1971.

As far as soft drinks are concerned the outlook is far from clear. Broadly speaking this is a two-tier industry, divided between squashes and concentrates (a £78m. market), and carbonated drinks (£137m.). Furthermore, while the squash and concentrate business is static — sales are estimated actually to have declined by 5 per cent. last year—the carbonated side continues to grow at between 2 and 3 per cent. a year in real terms.

The industry is thus faced with something of a conundrum, for the purchase tax savings are most easily reflected in squashes and concentrates, or that part of the business which is not only the least important but which is also reckoned to be nearing saturation point. For lower purchase tax to be reflected in carbonated drinks, the industry is having to rely on distributors to make their own selective price cuts. And the odds are that the major supermarket chains, which are taking more and more of this trade, will favour their "own label" products to the detriment of branded products which carry a better margin for the manufacturer.

When it comes to grappling with purchase tax, the confectionery, ice cream and soft drinks companies can claim to have the edge on the pet food and crisp manufacturers. To start with they were the first to fall within the purchase tax net. Moreover, they began at a rate of 15 per cent. and steadily went up to 22 per cent. so that each increase probably had less of an effect on their markets than did the immediate imposition of 22 per cent. purchase tax on pet foods and crisps in April, 1969.

That is not to say that purchase tax at 15 per cent. in 1962 had no effect on confectionery, ice cream and soft drinks. Sales of all three immediately declined, and took a couple of years to recover fully. Looking back on it, too, there can be little doubt that ice cream was the worst affected of the three and that the imposition of purchase tax played no small part in the rationalisation of the industry into two dominant units (Walls and Lyons) which was then swiftly set in train.

But it is arguable that the effect which purchase tax had on the pet food and potato crisp industries was quite without precedent. Two rapidly growing markets were halted dead in their tracks to an extent that few people foresaw. There has not been much sign of life in either of them since, and the key question now is whether merely a lower rate of purchase tax can revive them.

To take potato crisps first: in the decade to 1969 this market was growing at an average rate of 20 per cent. a year. The way in which Golden Wonder came from behind to overtake the once dominant Smiths Foods and expand the entire market at the same time, was a classic marketing story. Purchase tax, however, changed all that. Sales decelerated sharply, and not long after, the industry ran into a veritable wall of cost increases.

Of course, purchase tax was not the only reason for the subsequent jump in crisp prices which led to consumer resistance and a drop in volume sales of 20 per cent. in two years. Nevertheless, it is arguable that without the tax growth would have continued and made it that much easier to absorb costs.

Prior to the imposition of purchase tax, canned dog food sales had been growing at between 16 and 17 per cent. a year, while canned cat foods had been increasing at around 8 per cent. Last year canned dog food (a £58m. business) grew by only 1 per cent.; canned cat food (a £31m. market) dropped back by 1 per cent. As with crisps, rising costs dented margins even further, especially in view of the major companies' decision to hold most of their prices to the consumer and only pass on the purchase tax. It could well be that this prevented the market from going into quite the nose-dive that overtook the crisp business.

It did not, however, prevent a significant shift in the pattern of sales towards cheaper, low-margin, products at the expense of premium lines. In the 12 months to March, cheaper dog foods increased their share of the "dog" market from 16 to 24 per cent., while premium cat foods dropped back from 30 per cent. to less than 26 per cent. of the "cat" market.

Challenge from durables

Whether these trends can be reversed in pet food will depend to some extent on initial High Street competition creating greater interest among consumers—an interest which the marketing companies will be able to follow up at a later stage. In crisps, it will probably depend on how well extra crisps in the packet can be sold in the market place.

But one problem common to all these products is the extent to which the first round of the forecast consumer boom is absorbed by consumer durables, where the abolition of hire-purchase controls (quite apart from very obvious purchase tax cuts) is likely to prove an irresistible attraction. Right now, if you are in the pet food business your real competitor is colour television.

MEN AND MATTERS

The path from bras to IOS

Cornfeld, King, Vesco, Schiowitz—all the protagonists in the IOS saga have sounded like the creations of a fertile imagination. Now comes Mr. Meshulam Riklis, chairman and founder of the Conglomerate Rapid-American Corporation.

Riklis has taken charge of the group of dissident IOS shareholders who are trying to unseat the present chairman of IOS, Robert Vesco. He is big enough to give that group more punch than hitherto. Riklis's company has grown in 15 years from a small printing company to a conglomerate with sales of over $2,000m. a year. Riklis wants to put IOS into that company.

The basis for his campaign is a block of 450,000 IOS shares which Rapid-American's most prestigious subsidiary, the Schenley Company, bought 18 months ago at $4 each. Schenley, one of the most important liquor companies in North America, is now buying again—at around 25 cents., and privately, because trading in IOS stock is now barred on all stock exchanges.

For Rapid-American, a conglomerate that has managed to maintain its credibility through the traumas of the last two years, the move is an odd departure from its previous path. Riklis explains that he would like to take Glen Alden (a subsidiary which controls Schenley) into financial management. That certainly is diversification for a company which has been centred till now round BVD underwear, well known brands of drink, and Playtex bras. One explanation might be that Schenley has the money—it sold its Cutty Sark whisky brand last year for $120m., of which $103m. was cash. But Riklis will not be drawn on that one.

"Two months ago," he said. "I asked Vesco if I might join the board of IOS to represent my shareholding. I got the cold shoulder. Well, you take the cold-shoulder for a while, and then you take action instead."

Brief encounter

"I'm not awfully worried about it," was Lord Chalfont's comment on the shortest City banking career I have heard of. It was only on April 28, on appointment as chief executive of Spey Finance, that he talked of his plans for the company in banking, hire purchase, leasing and venture capital. Chalfont, ex-Army officer, ex-journalist and ex-Labour Minister, admitted that he was no financial wizard. But his role would be general management, and there was time to learn. Now the time has abruptly run out, with the break-up of Spey, following the sudden departure of Chalfont's friend, Mr. Charles Gordon. First National Finance, which is buying Spey Finance, will keep none of its directors.

Chalfont says that with the selling of the banking and property sides Spey, "pared to the bone," will be back to its original concept of an industrial investment company. Its institutional backers "were never really very happy" about the property or finance sides, and once Gordon had lost his argument with them about these activities, their sale was inevitable. Chalfont, while he has lost his full-time job, remains a director of the rump of the Gordon empire, Spey Investments.

The reason he is not too downhearted is that he has other work to do, apart from the political field in which he has just made a notable pro-Market intervention in the great Labour debate. There is a biography of Lord Montgomery of Alamein to be written, and a series of interviews with world leaders for BBC TV.

Back aboard Cunard

Mr. Donald Forrester, now back on the Cunard Board after a brief absence of seven months, has had an eventful career. Now in his 60s, and also on the Boards of Babcock and Wilcox and Westinghouse Brake, he has made enough money to be able to say, "I can afford to lose £½m. on Cunard." He bought into Cunard in the early 1960s as an asset situation, and made himself the largest individual shareholder, as he also did (if you exclude managing families) at Babcock, General Electric, Hawker-Siddeley and AEI.

His money comes from engineering. Forrester first joined the old Gaumont British company in the Midlands, then started his own company in 1935 to provide electronic equipment for film studios. Soon after he joined forces with Cannon Electric, a big U.S. company making aircraft components, and sold out in the early 1960s.

With other electronic and component companies as well, Forrester says that he produced the equipment that explored the Comet disaster, and that is being used to test the Concorde, and also seismic equipment for North Sea gas exploration. He has a fine 1702 house off Hampstead Heath with three acres of garden, and, asked how much he is worth, says "I don't know. I haven't counted."

Flower people

A fact of great significance was noted by our man at the otherwise uneventful AGM yesterday of Trafalgar House. Mr. Nigel Broackes, Trafalgar's sartorially elegant chairman, was not wearing his normal red carnation—hitherto almost his personal trademark. But in the buttonhole of managing director Mr. Victor Matthews, what should there be but a bright red carnation.

Boardroom coup? Shift of power? Well, no, the fact is that Broackes has just moved to London from Wargrave, where he used to have a garden full of carnations. Contrarily, Matthews has bought a farm where the flowers grow profusely. Perhaps Broackes could ask him for one.

Bank humour

Letter from bank manager to overdrawn customer: "When can we revert to the traditional relationship whereby you bank with us?"

Observer

ECONOMIC VIEWPOINT BY SAMUEL BRITTAN

Sterling after the summer Budget

THERE IS a case to be made for the cautious demand management policy followed by the Chancellor until this week, which put the responsibility for high unemployment fairly and squarely on trade union wage pressure. There is also a case to be made for "going for expansion." But no one except a professional politician could possibly support both what the Government was saying and doing last week and what it is saying and doing now.

As I explained on Tuesday, the *shift* in policy is far greater than can be explained by any change in the economic indicators or even the forecasts. It amounts to a basic *shift* in strategy. If the strategy that the Government followed in its first year of office was right, this week's policy is wrong; and if this week's policy is right the previous policy was wrong. There is no escape from this logical fork.

Fierce 'stop'

This *volte face* reminds one forcibly of Mr. Wilson's in 1966. Having spent most of his Opposition career denouncing Tory stop-go and having accused the Conservatives in the 1966 Election of wanting to increase the margin of unemployment, Mr. Wilson himself imposed in July of that year the fiercest stop ever, which was deliberately designed to produce a "shake-out"—the then prevailing euphemism for higher unemployment. One would not have minded if there had been any admission of a change of mind or of any intellectual conversion to a new view. It was the bland assumption that he was at all stages right, but occasionally driven off course by conspiracies and bad luck, that one found so irritating.

The reasons for the present Government's change of course is of a different kind. There is every sign that the new strategy has been imposed on the Treasury against its will and is in conflict with much of the official advice reaching Ministers. The line that the Government has now followed is also profoundly un-Tory. It has followed hook line and sinker the advice of the National Institute, the TUC and the line that Labour members instinctively put forward.

Indeed the Chancellor went much further than a responsible Labour Chancellor would probably have done in his place. Of course Mr. Roy Jenkins could hardly afford to urge a less expansionary line speaking from the Opposition front bench; but reading between the lines of his speech, *one sensed* that *he* would have reflated less, but have done it earlier and in a form that took quicker effect.

In private conversation no-one bothers to look for a profound *economic reason* for the Government's change of heart. Of course, there were Ministers such as Mr. Robert Carr, and one or two younger official advisers, who passionately and sincerely dissented from the Treasury line. But the main factor behind the *volte face* was the desire to sweeten the mood in the country before the Common Market vote in October. Boring subjects such as economic strategy are being relegated to the background. This switch in policy has come a couple *of* weeks after an EEC White Paper which—although largely written by the same people—jettisoned, instead of improving, the analysis of its 1970 predecessor, and was propagandist rather than analytical in tone.

Present tactics could boomerang. The case for the EEC would have been more convincing, rather than less, if the Government had seen fit to publish the facts, figures, relationships and hypotheses on which the Cabinet Office team has been working so hard. No harm would be done if this had revealed uncertainties and imponderables about which people would have had to make up their own minds. The case for the EEC would also have been a great deal stronger if it had not been accompanied by a handout of economic largesse.

If this view seems *too* otherworldly, it is worth following out the logic of the present course. It is impossible to pre*dict exactly* when the present policy of rapid home market and consumer-led expansion will bring about the normal balance of payments crisis; and even less when the sterling market will start to go sour.

If I could predict these things, I should believe in "fine-tuning" and fixed exchange rates. I should also be a very rich man. But some period between the middle of 1972 and 1973 is *as good* a guess as *any*.

Not needed

In other words, there is a very good chance that the next crisis will occur around about the time we join the EEC and will be blamed by the public on the Common Market. For it very much looks *as if* the initial payments cost of joining the EEC will be *super-imposed* on a domestically generated balance of payments deficit. Nor will a devaluation on its own be *sufficient* to cure the situation. For the slack in the economy will, on the present strategy, be taken up by the home consumer; and any future devaluation will, like the 1967 one, have to be associated with a freeze and a squeeze at home. A less popular way of inaugurating Common Market membership would be difficult to imagine.

MR. HEATH: a complete change of strategy.

The Chancellor attempted to justify the change of strategy by talking about a more favourable balance of payments out*look* and *a rising* trend in export volume, after well over a year of *stagnation*. If he is *right* then the home market does not need a boost, as the increase in export volume, coupled with normal increase in home consumption and the measures in the April Budget, would be more than adequate. The extra ingredients of this week will simply over-egg the pudding, with the results just described. If he is wrong, we cannot afford a boost to home demand and the stimulus should have been applied on the export side.

No doubt Ministers hope that inflation at home will be held back sufficiently to preserve our competitive position and make a fresh devaluation unnecessary. But one must be guided by evidence as well as hope. There is no doubt that there has been a change in the industrial mood and that employers up and down the country are settling for less than they were accustomed to last winter or the previous summer. But the de-escalation has been painfully slow in its overall effect. New figures have emerged which show that wage settlements (which do not allow for "drift") showed a weighted average of 9½ per cent. in the second quarter of 1971, compared with over 12 per cent. in the previous two quarters.

Can anyone in his heart of hearts deny that this modest de-escalation has had something to do with the worsening unemployment situation? Moreover, one does not know how far wage de-escalation has depended on a high *level* of unemployment, and how far it has depended on the deteriorating *trend*. Even if the Chancellor had simply tried to stabilise the unemployment situation and prevent it from getting any worse, de-escalation might well have come to a stop. With the new policy of reducing unemployment and increasing the pressure on business order books, it is all too likely that money wages will eventually start rising again at rates well into double figures.

There may be a breathing space, during which abnormally rapid increases of, say, 6 per cent. in real disposable incomes and consumption may conceivably reduce union militancy. Even this will be difficult to bring about, as for some months to come the cost-of-living index will still be running at about 10 per cent. higher than a year ago. But consumption cannot rise for more than a year or two at a *faster* rate than the underlying growth of productive *capacity*; and eventually consumption will have to be reined back; and by then there will be a much tighter labour market than there is at present.

Currency implications

Those officials who are concerned with the balance of payments and international monetary relations, who have had a relatively easy task in the last year or two, will once again emerge into the spotlight. Moreover, with the EEC negotiations out of the way, British representatives will soon be able to break their *self-imposed* silence and whisper some tentative suggestions about international monetary reform.

The favourite ideas in London at the moment centre around "rebuilding Bretton Woods." Specific ideas are still a matter of personal preference. There is as yet no hard British position. But there are those in London who would like to see a deal under which official dollar balances would be replaced by Special Drawing Rights. In return, the U.S. would accept a devaluation of the dollar, which some see coming about through a revaluation by the existing EEC and Japan, joined perhaps by other countries; others believe it would have to involve a depreciation of the dollar in terms of gold. There would then have to be strict limitations on the accumulation of further official dollar balances.

It has not escaped notice of those who play with these ideas that a similar *formula* could be used for dealing with the sterling balances. The end result would be an enlarged EEC which might either float against the dollar, or at least have wider margins against it. Between EEC countries rates would be fixed within fairly narrow margins at any one time. But for the foreseeable future intra-European parity changes would *still* be necessary. The hope is that they would be made more promptly, and perhaps in smaller amounts.

Whether *such a system* is to be regarded as one of fixed or *flexible* rates, or whether it can truthfully be called "Bretton Woods" are merely matters of terminology. Before it can be established, the French and Germans will have to patch up a monetary compromise and the Americans think more rationally about the dollar.

There are clear political attractions for Whitehall in such an outcome. If the EEC currencies and the Japanese yen are revalued, or the dollar devalued, before sterling becomes linked to the EEC, then Britain will obtain a competitive advantage through the action of other countries. Mr. Heath might then *be able* to claim that there has been no devaluation, in the *classical* terms of a reduction in sterling dollar parity. Recent upward floatations and revaluations on the Continent have already given an uncovenanted boost to the British competitive position, as the Chancellor admitted to the House on Tuesday.

One can be forgiven for doubting whether the outcome will be as smooth and convenient as this scenario impl[ies]. The British Government w[ould] be very lucky indeed if [its] competitive position w[ere] entirely preserved by parity changes of o[ther] countries, without any [need] to move on its own. Moreo[ver] the British rate of inflation [has] been nearly twice as fast as [the] American one; and one ca[n't] take it for granted that ster[ling] will remain correctly va[lued] even in relation to the doll[ar].

Looking to 1973 and bey[ond] a system of linked Euro[pean] currencies might appre[ciate] further against the do[llar]. Would sterling be strong en[ough] to take part in this appr[ecia]tion? Or would "small [and] frequent" downward cha[nges] in sterling's relation to stronger EEC currencies [be] necessary? And would [the] Government have the visi[on to] make such changes small [and] frequent, instead of fi[ghting] too long to defend partic[ular] parities?

Self-created

But in the last resort [the] exchange rate problems [are] superficial and self-created. [The] real difficulties will arise [in] the domestic restraints req[uired] to make such parity ch[anges] work and, *above all*, to pr[event] runaway inflation from e[merg]ing. It *is difficult* to believe [that] these problems will be res[olved] by the CBI's attempt to be[come] an organ of Government a[nd] act as a price policeman a[mong] its own members, any more [than] they will be by the failure of 10 years' work by Go[vern]ments of both parties to p[ut] nationalised industries [on a] commercial footing.

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Labour News

Substantial claim by council workers

BY ALEX HENDRY, LABOUR REPORTER

THE FIRST major pay claim since the CBI's price control proposals, and the Chancellor's mini-budget will be submitted to local government employers to-day on behalf of 170,000 manual workers.

Union leaders drew up the claim yesterday and Mr. Alan Fisher, general secretary of the National Union of Public Employees, said later: "We were not deterred or deflected in our discussions by Government policy. We are not concerned with promises from the Government or the CBI."

Threshold clause

They will ask to-day for "substantial" increases for their members. The amount, in money terms, will not be decided until September, two months before the existing deal runs out. They will also ask for a threshold clause—a TUC policy idea that gives automatic pay increases when the cost of living rises above a certain level.

Mr. Derek Gladwin, secretary of the trade union side, said: "If we do not get the threshold clause then our claim will have to be higher. The clause will cost nothing if the Government and CBI keep their promises about prices and the cost of living. But our members must be protected against raging inflation."

He added that the settlement last time, when they were awarded an extra £2.50 a week following the Scamp inquiry into the dustmen's strike, had already been eroded. They wanted the immediate post-Scamp position restored, plus a bit more money to improve the living standards of their members.

Mr. Gladwin went on: "We are still at the bottom of the earnings table."

The claim also seeks improvements in holidays, service payments, progress towards equal pay and special bonus payments for all workers not covered by productivity deals. Only about 35 per cent. of local government workers are benefiting from such deals, which can produce extra earnings of between £5 and £8 a week.

Union leaders representing 200,000 Government industrial workers will meet Civil Service improvement in an 8 per cent. negotiators to-day to seek an "final" offer. An improvement seems unlikely, but if it were made would be a fraction of 1 per cent.

Rough words

The 8 per cent. is just about right on the Government's pay strategy, which came in for some rough words from another union leader yesterday. Mr. Glyn Phillips, chief negotiator in local government pay talks for the National and Local Government Officers' Association, said: "At no point in these negotiations have we felt that the employers' representatives were their own masters."

He was commenting on five different sets of negotiations involving 420,000 white-collar workers in local government, the gas supply industry, New Town staffs, water supply and buses. His union's magazine commented: "Officers were convinced that in every case Government pressure had been brought to bear on the employers."

Rolls-Royce Coventry strike called off

BY ROY ROGERS, LABOUR STAFF

THE three-day-old strike by 600 draughtsmen at the Rolls-Royce Parkside factory in Coventry was called off yesterday afternoon and normal working will be resumed to-day.

This decision was taken by a mass meeting after the management agreed to reinstate Mr. Dick Jones, DATA office committee chairman, who had been suspended for alleged misuse of the factory canteen during a union meeting to discuss pay.

The row was sparked off when two members of the strike committee from Fine Tubes, Plymouth, were signed in to the meeting by shop stewards to allow a collection to be taken.

DATA, which has accused the management of posting two representatives in an an adjoining room to eavesdrop on the meeting, sees the suspension as victimisation of Mr. Jones who played a leading part in last year's 13-week pay confrontation and who is currently leading further pay negotiations at the plant.

A company spokesman said last night that the suspension had been lifted as a result of assurances concerning the future conduct of meetings on company premises, but Mr. George Hope, DATA district official, doubted whether further meetings would be held inside the factory.

There were no references to the peace formula to the alleged eavesdropping, said Mr. Hope. "We made the accusation and the company has not denied it."

BSA formula to avoid redundancies

FOLLOWING a week of negotiations between management and manual workers' shop stewards at the BSA motor cycle factory at Small Heath, Birmingham, outline agreement has been reached on a formula for avoiding redundancy amongst the hourly-paid employees.

The agreement was confirmed by an overwhelming majority of hourly-paid employees at a mass meeting yesterday afternoon. According to a joint statement the terms include short-time working, increased mobility of labour and a one-year surrender of the annual *productivity* bonus due to be paid to manual workers in 1972.

Last Friday the company announced that about 11 per cent. of the motor cycle division's 7,000 labour force would be made redundant.

More Labour News on Page 23

Talks soon on problems P.O. faces in price restraint

BY HAROLD BOLTER, INDUSTRIAL CORRESPONDENT

THE POST OFFICE committed with the other nationalised industries to keeping price increases below 5 per cent. over the next year, is currently losing £1m. a week on the postal side of its business and falling well below the target of a 10 per cent. return on net assets which it needs to maintain essential investment in the telecommunications field.

Discussions are about to start between the P.O. and the *Ministry of Posts* and Telecommunications on the problem it faces in trying to observe voluntary price restraints on the lines suggested by the Confederation of British Industry while preventing a further deterioration in its finances and in the service it offers.

The feeling within Whitehall is that these talks with the Ministry are likely to be prolonged. It is generally recognised that the P.O. faces real and pressing problems.

Changes planned

Following its £25m. loss in 1969-70, the P.O. had a further and heavier postal deficit in 1970-71, made worse by the £25m. in lost revenue incurred as a result of the six-week strike earlier this year. The full extent of last year's loss is not yet known.

In the current financial year, which began in April, the P.O. began to bear the expense of the 9 per cent. pay settlement which brought *the* postal dispute to an end. This will cost some £20m. and bring the P.O.'s losses on the postal service up to a minimum of £50m. unless there is a price increase or a drastic cutback in its services.

A series of important changes in the postal service are being put to the Ministry, designed to cut out or limit loss-making activities.

Difficulties on the telecommunications side of the P.O. business are no less acute.

The Post Office's aim is to carry out £2,700m. of capital investment over the five years from 1970 to 1975, equivalent to expenditure at the rate of about £1.5m. a day.

To do so it needs to meet a financial target of a 10 per cent. return on net assets so that it can cover at least half, and preferably *60* per cent., of the cost from its own resources.

At the moment it is not obtaining this 10 per cent. return and is unlikely to do so without a price increase on telephone rental or call charges or both.

In the Commons yesterday, Mr. Christopher Chataway, Minister for Posts and Telecommunications, confirmed that no increases in postal or parcel rates had been arranged with the P.O. for this year.

Another step towards Lockheed subsidy

BY JOHN GRAHAM, U.S. EDITOR

WASHINGTON, July 21.

LOCKHEED and Rolls-Royce are one step nearer Federal subsidy for the L-1011 programme as a result of action in Congressional Committee this morning.

The House Banking and Currency Committee decided to drop consideration of the relevant Bill before it and approve instead the Federal Guarantee Bill *already passed* by the Senate Banking Committee.

This means that the two Houses of the Congress will soon vote on identical Bills, thus saving a good deal of time and improving Lockheed's chances considerably.

Both Houses will vote on a $2,000m. authority for the Government to guarantee emergency loans. The guarantees would have to be approved by a three-man Board, consisting of the Secretary of the Treasury, the Chairman of the Federal Reserve Bank and the President of the *Federal Reserve Bank* in whose district the prospective borrower was located.

Thus the Administration would have only one member on the Board, rather than the two proposed by the White House in the *original* Lockheed Bill. Nevertheless, to-day's speed-up in the House Committee makes more likely a positive vote by the summer recess, scheduled for August 6.

The Senate hopes to be able to take the Bill to the floor this week, though Lockheed's opponents, especially Senator Proxmire, are still trying to block the Bill by parliamentary devices.

Saleroom

£106,018 for Old Masters

AT SOTHEBY'S yesterday a sale of Old Master paintings realised £106,018. Rogers gave £6,000 for a Still Life by Jan Davidsz de Heem, Leggatt £2,700 for a pair of Southern river landscapes by Jacob Philipp Hackert, and Leger £2,600 for *The Mary Rose Encountering Seven Algerian Pirate Ships*, attributed to W. Van de Velde the Younger. A village scene by David Teniers the Younger went to Pollak, a group of peasants outside an inn attributed to *J. Miel* to Wright, and a still life attributed to P. Claesz to Silver, each for £2,000.

In a sale of coins and medals at Sotheby's Hearn paid £1,350 for a set of 15 Victorian coins, 1839, £1,300 for a set of 14 William IV Coronation coins and £880 for a set of four George IV gold coins, 1826, all these being specimen sets, and also £860 each for an 1831 Russian Nicholas I platinum 6 roubles, and a Scottish James VI sword and sceptre gold piece, 1602. Chome gave £1,100 for a 1733 Mexican Philip V pillar 4-reales.

A *silver sale* totalled £36,793 at Christie's. A 39 oz plain tapering cylindrical coffee pot by Thomas Williamson, Dublin, 1739, went for £2,700 and a set of four table candlesticks, (106 oz) by Richard Calderwood, Dublin c. 1765, for £1,800, both lots to Bloom. A 134 oz epergne by Emick Romer, 1759 sold to Porter for £1,400.

Christie's sale of oriental books totalled £22,991. Djawadi paid £3,000 for a Shahnama and Barzunama Persian manuscript by Firdausi

£5 three-day Paris holiday

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

SKYWAYS International, which runs the coach-air-coach services to Paris, is offering in conjunction with Paris Travel Service £5, three-day (two-night) holidays in Paris this winter—believed to be the cheapest foreign holiday yet made available from this country.

The £5 holidays will cover departures from London (Victoria Coach Station) on Mondays, Tuesdays, Wednesdays and Thursdays. For departures on Fridays the cost will rise to £8. The plan has been put to the Air Transport Licensing Board for approval.

For this sum, the traveller will get coach-air-coach travel between the centre of London and the centre of Paris, and two nights accommodation in a one-star or two-star hotel with Continental breakfast. Transfer between the terminal in Paris and the hotel will be addit[ional].

About 45 hotels have [been] selected for the holidays by [Paris] Travel Service, all broad[ly in] the central or near centra[l areas] of Paris.

The dates planned fo[r] operation of the holiday [are] from January 3 to March 17 and from October 9 to Dec[ember] 15, 1972. Departures by [coach] from London will be at 050[0], arrival in Paris at 1300.

COMPANY NEWS + COMMENT

Extra 2% and scrip by Jones Stroud

[F]INAL dividend of 17 per cent. [by] Jones Stroud raises the total [for] the Ordinary shares from 25 [per] cent. to 27 per cent. for the [year] ended March 31, 1971. [Hold]ers of the "B" Ordinary are [receiv]ing a total of 6¾ per cent., [agai]nst 6¼ per cent., the final [bein]g 4½ per cent.

[It] is also proposed to capitalise [£...]425 of reserves in a three-for-[one] scrip issue to holders of both [class]es registered October 15.

[Fo]llowing an increase from [£...]341 to £479,827 in the first six [mon]ths, the year's pre-tax figure [eme]rges £161,267 ahead at [£...]337.

	1970-71	1969-70
	£	£
[Pre-tax] profit	938,337	827,070
[Taxat]ion	357,239	342,395
[Net] profit	631,098	484,475
[Mi]norities	48,632	47,497
[Attrib]utable	582,466	436,978
[Ordin]ary dividends	162,252	135,641
["B"] Ordinary	44,310	44,675
[Retai]ned	375,904	256,662

[In]cluded in the profit are divi[dend]s received from Anglo [Ame]rican Vulcanized Fibre Com[pany] and Fothergill and Harvey, [£...]38,132. The inclusion of the [aggr]egate of the group's share of [thes]e companies' profits based on [the l]ast available accounts would [have] increased profit before tax [to] £1,059,728 and the profit [attrib]utable to £601,065.

[Th]e company has received [notic]es electing to convert 212,000 [and] 46,000 "B" Ordinary shares [into] an equivalent number of [Ordin]ary in accordance with [Artic]le 6. Such conversions will [beco]me effective on August 11 [and] October 14.

[Th]e group makes elastic and [narro]w fabrics and electrical [insula]ting materials. Meeting, [Octo]ber 7.

● [c]omment

[Sa]les volume up around 5 per [cent.] Jones Stroud has pushed [profit]s ahead by a fifth pre-tax— [...]per cent. on a consolidated [basis]. Most of that came in the [openi]ng months of 1970-71 with a [secon]d half growth rate slowing [to ...] per cent. so the trend does [not f]avour the current year. But [JS re]ckons the postal strike and, [more] importantly, the power dis[pute w]ere a troublesome influence [— the] latter hit the Nottingham [area] badly, and JS to the extent [of fa]ctory closures). This year [the i]nsulation companies have [been] working with capacity to [spare] which could put a damper [on th]e current half. Yet JS has [a big] stake in the clothing and [consu]mer durable fields, so the [Budg]et cum reflation could from [now o]n be set fair—enough at [leas]t to underpin a 13.2 p/e at [...] fully taxed and on full [...]l.

[A]lliance home [lo]ans up 31%

[An] increase of 31 per cent. in [home] loan advances during the [si]x month of 1971 is reported [by M]r. Roy Cox, chief general manager of the Alliance Building Society.

At the opening of another Scottish Branch (at Hawick) Mr. Cox said that advances to home buyers in the first six months of the year were £39m. compared with £20.6m. in 1970.

Premises have been acquired in another nine major centres and many of these new branches will be opened during this year.

INDEX TO COMPANY HIGHLIGHTS

Kennedy's Builders' upturn

ON A TURNOVER up from £2.58m. to £3.49m., taxable profits of Kennedy's (Builders' Merchants) have gone ahead by £125,500 to £238,000 in the six months ended May 31, 1971.

A one-for-four scrip issue is proposed and an interim of 8 per cent. is declared on the increased capital—this would represent an effective increase of 1.6 per cent. Total for 1969-70 would be equal to 18 per cent.

After tax of £95,200 (£50,625) the net profit is £142,800 (£61,875). For 1969-70 the pre-tax figure was £387,278 and net profit £209,028.

● comment

Last year the message from Kennedy's was recovery. This year it looks like being growth. That first half profits are more than doubled (pre-tax) owes much to the depression of the comparable six months, but they show none the less just what the long-awaited building upturn—six month sales take in 35 per cent. growth—can do for a materials supplier; and its share status. Kennedy's has come up from 73½p this year to 140p, against a gain of 60 per cent. since March by the sector. This currently boasts a p/e mean of around 20, against Kennedy's 10.8 multiple on earnings for the past reported 12 months.

Charles Roberts to hold 14%

WITH a continuation of the current level of activity, results of Charles Roberts and Co. for the year to September 30, 1971, should show a further improvement, directors state, and it is hoped to maintain the dividend at 14 per cent.

For the year ended October 1, 1970, there was a group pre-tax profit of £220,746.

For the half year ended April 1, 1971, group profit before tax, has improved from £83,628 to £120,941.

	Half-year 1971	1970
	£	£
Trading profit	207,866	172,917
Depreciation	76,712	74,364
Income from rents, investments, etc.	2,325	2,805
Making	133,479	101,361
Interest on bank and other borrowings	12,538	17,733
Profit	120,941	83,628

Directors state that as a result of past losses it is not anticipated that there will be any liability to tax on the profit for the half-year ended April 1, 1971.

Since the end of the half-year the group has acquired the capital of R. Murfitt, of Wisbech, from Associated British Maltsters for the value of the plant and stock required. Roberts to carry on the business of manufacturers of aluminium road tank and bulk carrying vehicles for the conveyance of powders and animal feedstuffs.

Profits emerging from the first half-year "reflect a useful increase over the figures of the comparable period of last year," directors state.

● comment

Roberts' accounts augured well for 1970-71 what with a £2¼m. engineering order book and an extension to the hire fleet, and the position after six months is 44 per cent. profits growth pre-tax. For a share price up from 186½p this year to 265p (up 9p yesterday) that is probably just as well, though nil taxed earnings of 30.8p a share for the past reported 12 months show that the market has by no means overrun itself—yet. Thus we have a p/e of 8.6 times, rising to 14.3 on a normal tax charge; and these multiples would seem maximum levels.

1½% more by Mitchell Somers

ENGINEERS AND forgemasters Mitchell Somers reports a steep increase in profit from £324,793 to £615,822 for the year ended April 3, 1971, after charging £192,865 (£185,978) depreciation.

And a final dividend of 7½ per cent. (8½ per cent.) lifts the total from 11 per cent. to 12½ per cent. absorbing £182,037 (£130,272).

After tax of £243,412 (£127,649) net profit available was £372,410 against £197,144 in 1970-71.

● comment

With a 90 per cent. jump in annual pre-tax profits, Mitchell Somers has more than lived up to its half-year expectations of record profits. A full year's benefit from the recent organisation of the crankshaft side provided the main boost to profits and a turnround from losses in the materials handling division added to the impetus. However, the growth rate slowed to 58 per cent. during the second six months against 155 per cent. at the half-way stage, and the current year has started off with lower orders. It is doubtful therefore, whether MS can produce further profits growth in the current year, especially since Pressure Dynamics which was expected to contribute to profits for the first time in 1971-72, is now unlikely to as a result of the drop in demand. However, in view of the group's current profit level the shares seem rather over cautious at 22½p on a p/e of 7.0.

1% lift by John Harper

A FINAL dividend of 8 per cent. by ironfounders John Harper and Co. raises the total from 12 per cent. to 13 per cent. for the year ended March 28, 1971.

Profits before tax improved from £324,465 to £347,917 after being £165,157 (£141,650) in the first six months.

	1970-71	1969-70
	£	£
Trading profit	332,799	*313,388
Investments income	15,118	6,177
Pre-tax profit	347,917	324,465
Tax	132,666	142,899
Net profit	215,251	181,566
Dividends	138,375	123,250
Exceptional items w/o	—	116,989
Forward	615,253	636,570

* Included £442,266 from foundries less finished products division loss £123,978.

Directors say although the foundry profits were lowered by the added burden of some overhead costs previously shared with the finished products division (now closed), total profits were higher.

Prospects for the current year are difficult to assess. At present the group is experiencing a reduction in demand from most of its customers. However, if, as seems probable, there is an upturn in the economy generally before the end of the calendar year, the group is well placed to benefit.

Meeting, Willenhall, Staffs., August 24, noon.

● comment

Considering the saving by John Harper of some £124,000, from the closure of the loss making finished products division, a 7 per cent. increase in the 1970-71 pre-tax profits is hardly encouraging even discounting the current difficulties of the foundry industry. Turnover rose by some 6 per cent. but margins were under severe pressure. This was not totally unexpected since the foundry division has to bear overheads which previously were borne by both divisions. But the significant point is that the margins problem was more marked in the latter part of the year as orders and production were falling off. What is more, at the moment there are no signs of any recovery although, the slide appears to have levelled out. Much then depends on the effect on industry of the recent reflationary measures, particularly as Harper has reinvested some of the funds from the closure in new plant. In light of these uncertainties the 7.3 p/e at 37p could be a little on the high side although the 9 per cent. yield is a useful buffer.

Mr. Nigel Broackes, chairman of Trafalgar House Investments, addressing the annual meeting yesterday.

DIVIDENDS ANNOUNCED

	Current payment %	Date of payment	Corresponding div. %	Total for year %	Total last year %
Bay Hall Trust ...... int.	2p†	Oct. 1	2p	—	8.5p
John Bolding & Sons int.	2½	Aug. 27	5	—	7½
Braid Group ....int.	8½	—	7½	(e)—	25
Brighton & Hove Stadium int.	†1p	Oct. 6	*½p	—	*1½p
Cable Trust ....int.	7½	Sept. 30	7	—	15½
Cooper Inds.	9	Sept. 30	7	15	12
Direct Spanish ......int.	4	Sept. 30	4	—	10
Econa	14	Sept. 10	12½	21½	20
Esperanza Trade and Transport	†3p	Sept. 16	3.13p	5p	8½p
General Eng. (Radcliffe)	2½	—	nil	2½	nil
Group Investors	3½	Sept. 18	8½	8	6
John Harper	8	—	8	13	12
Idris Hydraulic ......int.	12½	Sept. 17	12½	—	31½
Irish Distillers ......int.	6	—	8	—	17
Jones Stroud Ord.	17	Oct. 9	16	27	25
Jones Stroud "B" Ord. ...	4½	Oct. 9	4	6¾	6¼
Kennedy's (Builders Merchants) .... int.	8	Nov. 1	*8.4	—	*18
Mertindale Trust .... int.	(c)7½	—	5	—	18
Melbourne & General Tst. int.	5	Sept. 24	5	—	12
Mitchell Somers	7½	Sept. 20	8½	12½	11
New Throgmorton Trust int.	3½	Sept. 24	3½	—	(d)9¾
New Witwatersrand	†7½cts	Sept. 10	6½cts	7½cts	6½cts
Polymark	nil	—	nil	nil	7½
Stenhouse ....int.	(f)6	Sept. 29	5	—	14
Taylor and Hartley	8	Sept. 8	5	10	9
Wagon Finance .. ....int.	8	Sept. 30	7½	—	23½
Yeoman Invest. Tst. int.	9	Sept. 10	9	—	22
York Trailer ....int.	20	Sept. 24	15	—	45

* Equivalent after allowing for scrip issue. † Amount per share.
(a) Tax free. (b) On capital increased by rights and/or acquisition issues. (c) In respect of revenue received between December, 31, 1970, and date of merger with Alliance Investment. (d) Includes 1¼ per cent. bonus. (e) Total of 27½ per cent. forecast. (f) Does not infer increased final.

First half advance by Braid

Pre-tax profit of the Braid Group of vehicle distributors, etc., jumped from £127,302 to £195,392 in the half-year to March 31, 1971.

And chairman Mr. W. A. Gregson reports that the pattern of activity has continued and provided there is no deterioration of the present economic situation profits in excess of £400,000 should be achieved for the full year to September 30, 1971.

Meanwhile the interim dividend is lifted 1 per cent. to 8½ per cent. and the directors intend to distribute a 19 per cent. (17½ per cent.) final.

After tax of £78,000 (£57,000) net profit for the six months was £117,392 compared with £70,000 for the same period last year. Turnover rose from £4,865,741 to £5,906,041 and trading profit from £267,139 to £353,020.

● comment

The motor distribution sector has been a strong market recently and Braid Group has proved no exception as at 29p the shares are nearly double their 1971 low. The half-year figures amply justify this re-rating and the minimum 25 per cent. pre-tax rise projected for the full-year indicates a total 11 per cent. above the previous peak in 1967-68. The key to this success has been an improvement in deliveries from the main commercial vehicle and new car suppliers though the continued firmness of used car prices has also helped. The general uptrend has continued in the current half as the national car registration figures show, so the 1970-71 target looks well within reach. However, on prospective earnings of 3.8p per share a p/e of 7.3 is not taking much account of what the Chancellor's measures might do for demand in the early autumn.

Statement Page 23

Econa makes and pays more

THE improved profit forecast by sanitary engineers Econa last August turns out to be a rise from £173,834 to £207,352 at the pre-tax level for the year ended March 31, 1971.

A final dividend of 14 per cent. raises the total from 20 per cent. to 21½ per cent.

At the half-way stage, the pre-tax figure was up from £54,053 to £73,726.

The year's net profit emerges at £144,211 compared with £96,759 after tax of £63,141 (£77,075). In addition, £53,340 net surplus on disposal of property has been added to group retained profit.

RESULTS AND ACCOUNTS IN BRIEF

AMPNION TRUST (formerly Komala Investments)—Consolidated loss for 18 months to June 30, 1970, £3,137 (£158,792 for 1968) after writing off £47,615 (£163,702) to reduce to market value investments, cost of which exceeded that value. Debit forward £224,684 (£221,736). Quoted investments 119,677 (£2,137) value £29,745 (£2,357). Net current liabilities £49,375 (£28,974). Meeting, 55-61, Moorgate, E.C., August 16 at 11 a.m.

BOTSWANA RST—Result 1970 already known. Fixed assets R356,808 (R936,046). Net current liabilities R757,261 (R213,261). Proposed to increase share capital to R45m. by creation of 19m. new shares of R2. Meeting, Gaborone, August 18.

BRIGHTON AND HOVE STADIUM—Interim 1p per 10p share. Gross receipts, for the half-year ended June 30, 1971, £193,659 (£165,205 and £367,447 for 1970). Expenditure, including depreciation, £156,797 (£115,953 and £255,692). Net receipts £46,862 (£49,252 and £111,755). Totalisator betting duty £26,838 (£23,202 and £37,529). Trading profit £20,024 (£23,050 and £53,926). Investment income £3,360 (£2,688 and £6,491). Profit before taxation £23,384 (£25,733 and £60,417). Tax £8,500 (£10,500 and £22,541). Net profit £14,884 (£15,233 and £37,570). Decrease in net profit reflects inflationary increases in running costs. On the other hand, results of race meetings for first six months show an upward trend. Proposed to promote 124 race meetings in the current licensing year, whereas previously group was restricted to 108. This extended programme of racing will be maintained provided the additional meetings prove profitable.

DALTONS WEEKLY—Results, for year to March 31, 1971, reported July 9. Fixed assets £277,368 (£256,251). Net current assets £139,973 (£117,233). Chairman anticipates profits for current year will be maintained at least to previous year's level.

DIRECT SPANISH TELEGRAPH COMPANY—Interim dividend 4 per cent. (same and total 10 per cent.) for 1971. Pre-tax earnings for half-year to June 30, 1971, £14,052 (£12,093). U.K. tax £5,628 (£4,965). Net asset value 171p per Ordinary 164½p in December, 1970).

ENGLISH AND NEW YORK TRUST—For six months to June 30, 1971, revenue £321,503 (£339,393). Net assets at June 30 stood at £23.06m. (£16.99m.), after prior charges at redemption values £2.6m. (same) and convertible loan stock £2.5m. (same). Break-up value 95p (78½p) per 25p unit. Valuation of investments include 100 per cent. of dollar premium where applicable—at 25½ per cent. £1.94m. (25½ per cent. £1.35m.). Current estimates indicate revenue on Ordinary for 1971 will be slightly lower than £743,674 earned in previous year.

GENERAL CONSOLIDATED INVESTMENT TRUST—Interim dividend of 4 per cent. (same—total 9 per cent.) for 1971. Gross revenue for half-year to June 30, 1971, £334,733 (£336,662 and £654,936 for 1970). Franked £204,165 (£206,909 and £395,885), unfranked £130,568 (£129,753 and £259,051). Administration and interest charges £68,354 (£94,241 and £165,073). Taxation £16,885 (£15,861 and £31,561). Preference dividends £9,750 (same and £19,500). Net earnings (4.99 per cent.) £219,744 (4.92 per cent. £216,690 and 9.52 per cent. £418,322). Interim Ordinary dividend £176,000 (same). Gross assets at valuation after providing for interim dividend £16,324,000 (£13,173,000 and £14,549,000). Net asset value per Ordinary 25p share before deducting 25 per cent. of dollar premium 74p (56p and 64p). Net asset value after allowing for conversion of the 4½ per cent. Convertible Unsecured Loan Stock 1989-94 74½p (57p and 65p). Market values of investments quoted abroad include full dollar premium of 25½ per cent. (June 30, 1970—24½ per cent.) where applicable. Proportion (25 per cent.) of dollar premium which would be surrendered on realisation amounts to 1½p per share (June 30, 1970—1p per share).

GREENFRIAR INVESTMENT COMPANY—Earnings per Ordinary share second quarter ended June 30, 1971, 0.65p (0.39p) and 0.46p six months ended June 30, 1971. Equivalent last year 0.51p and 1.07p year ended December 31, 1970). Gross income £46,229 (£31,329 and £65,351—£56,544 and £115,603). Interest charges £20,754 (£15,645 and £36,818—£32,167 and £56,382). Expenses £3,454 (£2,965 and £6,074—£5,453 and £9,945). Net assets per share after provision for tax on realised capital gains June 30, 1971, 100p (66p and 90½p). Includes full dollar premium of 25½ per cent. (24½ per cent. and 24 per cent.). Value of dollar premium £324,362 (£156,921 and £261,996). Valuation of investments £4,808,548 (£2,946,877 and £3,773,805). Net asset value at June 30, 1971, was 100p (66p and 90½p at December 31, 1970).

GROUP INVESTORS—Final dividend 3½ per cent. (same) making 6 per cent. (same) for year ended June 30, 1971. Revenue £199,278 (£206,619). Taxation £6,663 (£8,572). Net revenue £91,568 (£92,737). Interim dividend £35,539 (same). Final dividend £49,755 (same). Total assets at market value, less current liabilities including final dividend £4,880,377 (£3,577,135), including full dollar premium where applicable 25½ per cent. (24½ per cent.). Equity value per 25p Ordinary after deducting prior charges at par 65½p (47½p). Meeting, September 15, 1971.

McMULLEN AND SONS (brewers, wine and spirit merchants, and soft drink manufacturers)—Pre-tax profits for half-year to April 3, 1971 amounted to £219,446 (£205,540). Profit for all of 1969-70 was £354,000. Interim dividend raised from 4 per cent. to 4½ per cent. has already been declared. Board proposes that for 1972 and subsequent years the interim will be paid on or about August 1.

ST. KITTS (BASSE TERRE) SUGAR FACTORY—Group fixed assets at October 31, 1970, stood at £1,951,793 and not £956,322 as reported on July 19. The latter figure failed to take into account a revaluation.

MOORGATE INVESTMENT—Final dividend 4½ per cent. (4½ per cent.), makes total of 8 per cent. for year to May 31 1971 (7½ per cent.). Revenue £123,228 (£113,917) comprising franked £95,822 (£93,272) and unfranked £27,406 (£20,645). Underwriting commission £657 (£272). Bank interest £13,910 (£12,510). Gross revenue £137,795 (£127,059). Administration and interest charges £34,464 (£36,054). Taxation £1,656 (£1,115). Ordinary dividends £93,200 (£54,462). Income tax deducted from franked investment income £1,950 (£3,634). Retained £6,325 (£1,834). Gross assets at May 31, 1971, including investments at valuation and including full dollar premium where appropriate £2,939,000 (£2,250,000 at the previous year end). Net asset value of the Ordinary shares was 54½p (39½p). Meeting, August 17, 1971, at 100, Wood Street, E.C., at 3.15 p.m.

NEW CENTRAL WITWATERSRAND AREAS—Dividend 7½ cts (6½ cts) per share for year to June 30, 1971. Investment income R167,794 (R165,109). Interest received R3,040 (R669), surplus on realisation of investments R30,895 (R1,753). Admin expenses and interest R21,430 (R22,371). Net profit R200,999 (R145,109). Dividend R132,450 (R114,816), retained R67,809 (R30,294). To reserve R60,000 (R30,000). Unappropriated R39,719 (R31,910).

R. W. TOOTNILL (furniture manufacturers)—No dividend (same) for year to April 3, 1971. Trading profit £37,494 (£42,160). Deduct depreciation £19,782 (£20,243). Credit tax adjustment £2,337 (transfer from tax equalisation account £13,000).

SYMONDS ENGINEERING COMPANY—Results, for year ended March 31, 1971, reported July 1. Fixed assets £365,285 (£373,003). Net current assets £203,557 (£275,317). Chairman thinks that once again satisfactory results should be produced. Meeting, Great Eastern Hotel, E.C., August 12, at 11.30 a.m.

ISSUE NEWS AND COMMENT

Bristol Post 10¾% debentures at par

Kleinwort Benson has completed arrangements for the placing of £1.25m. 10¾ per cent. Mortgage Debenture stock 1991-96 in The Bristol Evening Post at par.

The stock is payable as to £50 per cent. on application with the balance due on December 31, 1971. Interest is payable half-yearly with a first payment of £5.00 per cent. due on March 31, 1972. Asset cover is 2.1 times and interest cover is 2.9 times.

Proceeds of the issue, estimated at £1.22m. will be applied towards the acquisition and construction of the company's new newspaper production and office building at Temple Way, Bristol.

Brokers are Hoare and Co., Govett in London and B. S. Stock, Son and Co. in Bristol.

● comment

Although the terms of the Bristol Evening Post's debenture placing were probably fixed before the slide in gilts on Tuesday there still should be enough in hand to see the issue go well. This is borne out by the fair reception accorded to the first tranche. In view of this and the fact that other recent small issues are now standing at good premiums dealings in the BEP's stock could start at around 50¼ per cent.

Abridged details Page 23

CITY ACRE TRUST

In yesterday's comment on City Acre it was stated that the debenture was a non-trustee stock. This was incorrect as the company had paid dividends in each of the required calendar years, although this was not apparent from the prospectus.

MERRILL LYNCH

The 4m. shares of Common stock (par value $1.33⅓) in Merrill Lynch Pierce Fenner and Smith have now been sold in the U.S.

BANK MARKAZI

Manufacturers Hanover has completed arrangements for a $100m. 6 month credit and a $50m. six year credit for Bank Markazi Iran.

BRAZILIAN LOAN

Manufacturers Hanover announces that arrangements have been completed for a $20m. 7-year loan to Republica Federativa do Brasil for the International Airport of Rio de Janeiro. The loan was initiated by Banco Safra Investimos.

NORTHAMPTON UNDERSUBSCRIBED

Northampton Corporation announce that the issue of £3m. 8 per cent. Redeemable stock 1978-79 offered at par was undersubscribed. Underwriters were required to subscribe for about 69½ per cent. of the issue.

Letters of allotment have been posted and dealings start to-day.

WATER TENDER

Wrexham and East Denbighshire Water Co.'s offer for sale by tender of £450,000 10 per cent. Preference stock at a minimum price of £104 per cent. has attracted applications for £1.31m. of stock. The lowest price to receive partial allotment was £107.91 per cent. and the average price obtained was £108.31 per cent.

Dealings are expected to start to-morrow.

15% total by Cooper Industries

RECORD PROFITS and a dividend total stepped up by 3 per cent. to 15 per cent. are turned in by Cooper Industries the Midlands based steel re-rollers engineers and builders. The final for the year (ended April 30, 1971) is 9 per cent.

Turnover has gone ahead by 20 per cent. to £7.93m. and profit, before tax, emerges 24 per cent. up at £767,614. At half-way profit was some 19 per cent. up at £311,600.

Mr. Charles Cooper, chairman, says he is sure that there will be a further increase in profits in the current year. At present the group is particularly liquid.

	1970-71	1969-70
	£	£
Turnover	7,926,400	5,616,000
Trading profit	1,031,145	887,417
Profit	767,614	617,564
U.K. tax	282,423	257,839
Net profit	485,191	359,725
Attributable	426,281	318,405
Ordinary dividends	198,983	150,000

Jas. Burrough profits rise

From a turnover of £10.33m. against £8.84m. James Burrough, distillers of Beefeater gin and Borzoi vodka reports an increase of £102,225 to £1.39m. in profits before tax for the year ending February 28, 1971.

Despite the heavy capital expenditure involved in building a new £2m. bottling plant and storage facilities, the dividend is increased to 30 per cent. from 28 per cent.

Chairman Mr. A. Burrough said at yesterdays meeting that exports of Beefeater and Borzoi were affected by the flattening of the U.S. economy, not only in the U.S. but in some other parts of the world. Nevertheless there was a modest increase in sales with countries such as Canada, Germany and Holland doing particularly well.

On the home market Beefeater was very buoyant and Borzoi also showed a gratifying increase due to improved selling arrangements.

ROYAL DUTCH

The Royal Dutch/Shell group results for the first half of 1971 will be announced on August 5.

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MINING NEWS

Larger Agnew interest for Australians

BY KENNETH MARSTON

CONFIDENCE in the prospects for the Agnew nickel discovery in Western Australia was underlined by Mr. Chester Beatty at yesterday's meeting of Selection Trust with his comment at this relatively early stage that Australian investors will in due course be given an opportunity for a greater participation in the find. But it does not appear that this will be done via Selcast Exploration.

At present the latter company offers Australians a small indirect interest now that it has accepted the offer to purchase for $0.6m. (£0.28m.) a 20 per cent. stake in Western Selcast, the Agnew holding company. As a result Selection Trust's stake in Agnew will fall to 48 per cent. and that of Consolidated African Selection Trust to 32 per cent. But the two London companies also own 83 per cent. of Selcast Exploration.

No new results

Mr. Beatty had no fresh news of Agnew to add to the encouraging drill results reported yesterday, but promised that further announcements would be made whenever there was something worthwhile to say. It will take "many months," however, before the stage can be reached for an evaluation of the potential tonnage, mining grade and other factors.

Meanwhile, Selection Trust expects to maintain its dividend rate in the current year to next March. Looking further ahead, considerable financing will be needed for the new projects and Mr. Beatty hinted that the bulk of the funds might be raised overseas. He said that there were no further developments in the Sar Cheshmeh copper prospect in Iran, which is still hanging fire.

The participation in Mount Newman remains a winner and it is expected that the Australian iron ore operation will raise shipments to 20m. tons this year, compared with 13m. tons in the previous period. Overall, Selection Trust's outlook remains encouraging, but profit-taking in the absence of further Agnew results yesterday lowered the shares 40p to 715p. Similarly, CAST fell 27p to 220p and Selcast dropped 24p to 70p.

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-division shown below is based mainly on last year's time-table.

TO-DAY

Interims: Cardinal Invest. Trust, Colonial Securities Trust, Derby Trust, Dewhurst and Partner, English Association of American Bond and Shareholders, Glass Glover, Government Stock and Other Securities, "Investing in Success" Equities, Ladies Pride, Omnium Investment, Scottish Agricultural Industries, Second British Assets Trust.

Finals: Atlantic Assets Trust, Butterfield-Harvey, Cullen's Stores, Holiday Group, Howden Group, Geo. Kent, Neepsend Steel, Powell Duffryn, Thorn Electrical, Vaux and Associated Breweries, West Cumberland Silk Mills, Westforth Electrical.

FUTURE DATES

Interims—	
Berisfords	July 27
Gallaher	July 23
Imperial Metal Industries	Aug. 12
Madame Tussaud's	July 28
Rose and Thistle Trust	July 29
Trust Houses Forte	July 26
Westinghouse Brake	July 26
White (John) Footwear	July 28
Finals—	
Ciro Pearls	July 23
Hollis Bros. and ESA	Aug. 2
Houchin	Aug. 12
Lowe and Brydone (Printers)	July 28
Meyer (Montague L.)	July 29

MISCELLANY

Zinc values ranging from 6.4 per cent. to 22 per cent.—the latter over a narrow 1.5 feet—together with low copper values are reported by Conwest (Australia) from latest drilling of the Freddie Welt prospect at Yonanmi in Western Australia. One hole gave 14.7 per cent. zinc over 14.5 feet. The other partners in what is still a hopeful venture are Geometals, Carr Boyd Minerals and Westralian Nickel Exploration.

Western Collieries and Peabody Coal Mining are jointly to explore and exploit coal areas in Western Australia. They hope to produce large quantities of coal to fuel electric power stations for the anticipated industrial development of Western Australia.

Drilling by Sedimentary Uranium has verified the existence of uranium mineralisation at Yarramba, north of Radium Hill in South Australia. But the zones of mineralisation are considerably thinner than was indicated by earlier gamma logging techniques.

U.S. LOAN FOR ROBE RIVER

The U.S. Export-Import Bank is to take a role in the financing of the $A260m. (£121m.) Robe River iron ore project in the north-west of Western Australia which is due to reach production in mid-1972.

It is understood that the U.S. bank is to provide direct loans and guarantees for about 60 per cent. of the U.S. goods and services which are required by the project. These are expected to cost between $US25m. and $US30m.

As reported here last month the Australian Industry Development Corporation is to provide the Robe River company (which has a 35 per cent. stake in the project) with a debenture loan of $A7.8m.

This was previously to have come from Mineral Securities Australia and will allow the Robe River company to meet its commitments to the other participants in the big iron ore venture. They are: Cliffs Western Australian Mining (30 per cent.), Mitsui (30 per cent.), and Mount Enid Iron 5 per cent.

NEW KIMBERLEY MINING PLAN

Under a revised long-term mining plan for the four De Beers' diamond properties at Kimberley in South Africa, output in terms of caratage will remain stable, but the sources from which it is drawn will be varied according to mining requirements and the diamond market.

By reducing costs and tailoring the area's production to market trends, De Beers expects to increase overall profits of these mines. Initially, production will be suspended from the Bultfontein mine for a period from September 1 and will be made up at the other three.

York Trailer interim up 5%

FROM SALES of £5.57m. against £4.66m., group profit, before tax, of York Trailer has advanced from £301,000 to £492,000 in the half-year ended June 30, 1971.

When reporting first quarter profits up from £90,000 to £238,000 at the meeting in April, chairman Mr. F. W. Davies told members that he expected this level would carry through to the second quarter. For the year as a whole, he said, he felt the results would compare well with those of 1970, despite a short-term decline in trailer and container sales.

In his interim statement Mr. Davies says he believes the current level of earnings will be maintained and the interim dividend is being stepped up from 15 per cent. to 20 per cent. The prospect of an increase in the final (30 per cent. for 1970) will be reviewed in the light of conditions at the year-end.

	First half 1971 £000	First half 1970 £000	Year 1970 £000
Sales	5,572	4,656	10,101
Profit	492	301	656
Taxation	197	136	364
Net profit	295	165	492

The continued growth in the first half, despite the general recession in U.K. industry, is due to the diversified nature of York's operations, explains the chairman.

The truck equipment division is on target, rental income is holding up, while in export there is still more significant growth. York's relatively low exposure to the container industry is helping results.

In the home market our new trailer business now justifies the expectation that "we shall emerge from the present period of general industrial stagnation in better shape than we were entitled to forecast three months ago."

established last year has paid off handsomely. The introduction of more efficient production methods and the streamlining of the company's administration has also proved to be vital factors.

For the first quarter of this year sales are ahead of forecast. He looks forward to hearing more details of the introduction of value added tax, but believes it must be beneficial as he cannot envisage it at anything like the high rate of purchase tax.

● comment

With certain commercial vehicle companies (principally Fodens) currently reporting heavy going, the market was not expecting much from York Trailer and the shares fell 4p to 114p on Tuesday. However, in the event, the interim figures came as a pleasant surprise and the shares rose to a new 1971 high of 120p before closing last night at 118p. Compared to the troubled first-half of 1970, the group has boosted pre-tax profits by 63 per cent. and lifted profit margins a couple of points to 8.8 per cent. With the low-margin container division and the home trailer division merely holding their own in a depressed market, the growth was confined to the group's bread and butter service and component side (which contributes about 45 per cent. of total turnover). While a conservative estimate indicates 1971 pre-tax profits of about £1m. (and earnings of 17p a share), the main boost to profits will only come if the Government decides to bring the present transport weight restrictions up into line with the common EEC limits. This will spark off a good deal of pent up demand, and the shares on a prospective p/e of just under 7 could prove a good long-term investment.

Big profit rise for Tremletts

PROFITS OF at least £450,000 by Tremletts, the milling machinery and oils equipment group, in the current year, compared with nearly £180,000 in 1970, were forecast yesterday by Sir Rolf Dudley-Williams, the chairman.

He also reported encouraging progress at Rose Downs and Thompson, purchased in March, and revealed that investigations were under way which might lead to further acquisitions.

Speaking at the annual meeting in London, Sir Rolf said he felt last year's improvement could be largely attributed to the effect of modern management methods on an engineering business which had been run on traditional lines for some years. There was still considerable scope for greater profitability from improved efficiency.

Sir Rolf told shareholders that £550,000 of the £750,000 maximum purchase price for Rose Downs was not due for payment until March, 1972. Davey-Ashmore, the vendors, had warranted profits for 1971 of £240,000 "and present indications are that this figure will be comfortably exceeded," he added.

Electro-Hydraulics up at half way

Profits of Electro-Hydraulics before tax and provision for impending reorganisation costs, improved from £48,000 to £140,000 in the 26 weeks ended April 2, 1971. For the year to October 2, 1970, pre-tax profit was £208,000.

After tax and minorities attributable profit was £74,000 against £18,000 in the previous corresponding 27 week period.

Due to the continued pressure on cash resources the directors have decided not to declare an interim dividend for 1970-71—the last payment was a single 2½ per cent. interim in 1968-69.

The general economic depression in the capital goods market together with the effect of the current reorganisation make it difficult to forecast with any accuracy the ultimate profit for the current year.

	26 weeks 1971 £000	27 weeks 1970 £000	53 weeks 1969-70 £000
Turnover	4,688	4,398	9,698
Profit	140	48	208
Taxation	64	28	103
Minorities	2	2	5
Available	74	18	100

Turnover in both aircraft and materials handling equipment is running slightly above the level of the corresponding period of the previous year, export sales having again increased, the directors report.

The slowing down in demand for materials handling equipment, a long term growth industry, has, however, shown further deterioration in recent months.

Plans for the transfer of aircraft production to Dowty Rotol and the concentration of resources on materials handling activities are proceeding according to schedule. It is anticipated that all the aircraft activities will have ceased by the end of the current year.

Trust Houses-Forte shares dip

BY KENNETH GOODING

SHARES in Trust Houses-Forte, Britain's biggest hotel and catering group, suffered another sharp setback yesterday as rumours about the profit position and Boardroom dissension gained ground in the City.

Following a fall of 12p on Tuesday, the shares were down another 9p to 117p last night. However, sources close to the company rejected suggestions that the interim results to be published next Monday would show a profit fall.

Brokers now believe the half-time profits will be "quite a bit up" on the comparative figures for the corresponding period last year and point out that, although THF's overseas hotels are not doing too well at present, the London hotels are booming, and motels and industrial catering are also well ahead.

Practical support for these assertions came from THF's joint brokers, Cazenove and Co. and W. Greenwell, who were both in the market yesterday picking up shares they maintained were "cheap" at the current level.

There is no doubt, however, that there is a certain amount of friction between Sir Charles Forte, deputy chairman, and Mr. Michael Pickard, the managing director.

When asked about this yesterday Mr. Pickard would offer only an uncharacteristic: "No comcoment." But since Mr. Pickard and Sir Charles had a brush over the treatment of certain depreciation figures in the early days following the merger of Trust Houses with Forte's Holdings a year ago relations between the two have been somewhat strained.

However, suggestions that Mr. Pickard might resign from THF were being discounted yesterday.

BERMUDA SALE

ATHEL LINE (Tate and Lyle group) has sold a 19,770-ton product carrier to Investment Finance Trust of Bermuda. Although the contract price has not been disclosed, it is thought to be between £2.5m. and £3m.

A spokesman said Athel would continue to manage Ocean Trader. The ship, built in 1960, was being sold to make way for new vessels on order.

Shaw Carpets launches multi-colour range

By John Trafford

BRITAIN'S LARGEST tufted carpet manufacturer, Shaw Carpets, has entered the field of multi-coloured patterned carpets in a bid to gain sales at the expense of traditional woven Axminster carpets.

Mr. James Hartley, managing director of Shaw Carpets, is looking for sales of the new line—Shawminster—topping the £1m. mark in the coming 12 months. The carpets are initially being stocked by 16 London stores.

The new carpet range uses a fully synthetic blended yarn of 85 per cent. Courtaulds' acrylic fibre Courtelle and 15 per cent. nylon staple. The yarn is dyed in a special way so that the resulting carpet has a patterned effect.

Shawminster carpets are expected to retail at around £4.15 a square yard, strictly competitive with a good quality Axminster carpet.

RAMSGATE TO SIGN VW DEAL

Ramsgate Corporation is to sign a contract with Volkswagen tomorrow under which an agreed volume of cars will be imported into the Kent coast town. In return the corporation is to build a quay to speed unloading of the German cars.

Increased price quoted to U.S. for RB-211

By Michael Donne, Aerospace Correspondent

THE PRICE that Lockheed Aircraft will pay for the Rolls-Royce RB-211 engine for the TriStar airliner has been agreed at $2,995,116 for a "ship set" of three engines for each aircraft. This is $548,776 more than the original contract price of $2,446,340 for a "ship set" of engines.

These detailed figures have been revealed publicly for the first time in a further written statement by the U.K. Government to the U.S. House of Representatives Banking and Currency Committee, which has been hearing evidence in preparation of a Bill aimed at providing Lockheed with loan guarantees. The guarantees are necessary to ensure continuation of the TriStar and RB-211 programmes.

The U.K. Government had already sent written evidence to the Senate Committee, which concluded its own hearings some days ago, but the House Committee wanted further clarification of certain items, and this has now been provided by the U.K.

ELECTROLYTIC ZINC OF AUSTRALASIA—Four weeks ended June 30. Risdon Works: Zinc 12,025 tons. West Coast Mines: Ore treated 21,288 tons, lead concentrate produced 1,099 tons, zinc concentrate 5,189 tons, copper concentrate 542 tons. Fifty-two weeks to June 30: Risdon Works: Zinc 152,709 tons (1969-70: 165,232 tons). West Coast Mines treated 274,349 tons of ore (311,511 tons) for lead concentrate 12,352 tons (13,014 tons), zinc concentrate 67,463 tons (65,716 tons), copper concentrate 10,065 tons (13,704 tons).

Esperanza dividend cut 1¼p

Esperanza Trade and Transport is reducing its dividend from 6¼p to 5p per 12½p share, with a final of 3p for the year ended March 31, 1971. This is due to a change in dividend policy, to one more appropriate to a company in a growth industry.

Profit, before tax, shows an advance from £886,582 to £1,073,000, including profit of an associate £96,000—a significant increase had been foreshadowed.

Allowing for tax of £473,000 (£410,407) the net profit is £600,000 (£476,175). Retained profit amounts to £283,000 (£150,300).

Valentines of Dundee

Scotland's largest greetings card company, Valentines of Dundee Ltd., announces record profits of £274,000 for the year to March 28, 1971. This compares with £88,000 for 1969-70 and a loss of £34,000 in 1968-69.

Managing director Mr. J. Scott says the company escaped lightly from the postal strike, mainly due to detailed long-term planning and closer liaison at customer level which kept the orders flowing.

Product rationalisation policy

UNIT TRUSTS

MONEY MANAGEMENT AND UNITHOLDER

The July issue of Money Management and Unitholder discusses the steady increase in the number of Japanese banks and broking houses in London and investigates what they are doing here, reaching the conclusion that they threaten to take away some of the London brokers' business.

Another article in this month's edition examines the impact of management consultants, discovering that financial institutions like banks and insurance companies are increasingly anxious to use consultants.

SLATER WALKER FINANCIAL TRUST

A total of 9,487,250 units, representing £2,371,813, was received in response to the initial, fixing price, offer of the Slater, Walker Financial Trust which was launched on July 10 and closed on July 19. The fund remains open for further subscription in the usual way.

SCHRODER CAPITAL & INCOME FUNDS

J. Henry Schroder Wagg and Co. announces interim distributions of 0.67p and 1.56p per unit for its Capital and Income Funds respectively. At the appropriate ex-distribution dates the estimated gross yield of the Capital and Income Funds were 2.34 per cent. and 4.89 per cent. respectively.

On June 8 the total value of the Capital Fund was £18.84m. while on the same date the Income Fund was valued at £5.06m.

UNITED ENGINEERING

Net profit of United Engineering Industries for the half year to March 31, 1971, was £35,701 after tax of £23,600.

Net profit for the year ended September 30, 1970, amounted to £98,000 after tax, £76,242.

BIDS AND DEALS

1970 Trust's final offer for NMC is 22p

A NEW and final offer of 22p per share is being made by 1970 Trust for the capital of NMC Investments not already owned.

It was announced on July 8, that 1970 Trust was prepared to make a further bid of 21p per share for the NMC capital. A response was received from NMC and its financial advisers, Samuel Montagu and Co., indicating that a price of 21p per share was regarded as fair and reasonable for holders "who after due consideration of their possible capital gains tax liability still wished to dispose of their shares."

The new offer follows further consultations with 1970's advisers, Standard Industrial Trust, and the Take-over Panel and was made in the light of the qualified recommendation by the NMC Board. The offer will close on August 6 and will in no circumstances be extended or increased.

Acceptances received in respect of the earlier offer, which closed on July 9, have been returned and the new formal offer documents have been posted to holders.

LDN. & EDINBURGH SHIPPING

Hutchison International, which already holds over 94 per cent. of the capital of London and Edinburgh Shipping, is to make an offer to acquire the remainder for cash at 325p per share.

The London and Edinburgh Board estimates that net profit after tax for the year to March 31, 1971, will be £16,489 (£43,688). No further dividends in respect will be recommended. An interim of 5 per cent. has already been paid. It is also stated that there will be no dividend for the current year.

GUINNESS

Arthur Guinness Son and Co. (Dublin) has set up a wholly owned subsidiary, Hycast, to develop and exploit a new precision, high temperature, die-casting process, under a licence which has been negotiated with an American company, Federal Die Casting of Chicago.

The plant will be located at Waterford and operations are expected to commence early in 1972. Close links on the technical side are being maintained with the existing Guinness U.K. plastic and engineering subsidiaries, GPG Holdings.

BRITTAIN PRESS

The directors of Brittain Press estimate that pre-tax profits for the year to June 30, 1971, were £125,000 compared with £140,496 in the previous 12 months.

Chairman Mr. William Brittain, giving the news in documents in which he recommends the formal offer from Marsholt Cavendish, states the fall in profits comes as a result of costs of £15,000 incurred in marketing new publications with which the directors decided not to proceed and to the adverse effects of the postal strike.

"The business outlook for the current year has continued to improve but it is too early to make a forecast of the results for the year ending June 30, 1972," he adds.

If the offer—which closes on August 11—goes unconditional, Mr. Brittain, Mr. T. P. Coatsworth and Miss J. C. Brittain will resign from the Board. Mr. Brittain, whose service agreement gives him £10,000 a year and Miss Brittain, who gets £2,500 a year, will, with shareholders approval, each receive £5,000 compensation.

W. J. REYNOLDS

W. J. Reynolds Holdings has agreed with Wadham (Holdings) for the sale of the entire capital of one of its subsidiaries, Boxall and Collins. Price is £86,780. Value in the books of the company at December 31, 1970, of Boxall and Collins shares was £35,158.

WCB PURCHASE

While Child and Beney, parent of the WCB Group, announces that its subsidiary, WCB Containers Inc., U.S., has bought the assets, goodwill and name of Federal Fibre Company, of Barrington, New Jersey, from Logistics Industries Corporation. The price, payable in cash over the next five years, is stated to be "in excess of $350,000."

Federal Fibre Company specialist manufacturer materials handling containe and had sales of over $700,000 1970. Mr R. W. O. Beney, cha oian of WCB, says the acquisiti forms part of the second stage the expansion plan which beg in 1969 when the group esta lished a green fields operation South Carolina. "We now exp to see an acceleration of our p gress in this market. Sales shou exceed $2m. in 1972."

STEPHENSON DEVELOPMENTS

First National Industrial Tr announces an extension of offers for Stephenson Developments (Holdings) made on beh of the Austin-Hall Group. Da for accepting the offer for 8½ per cent. Convertible Unsecu Loan stock 1987-92 made on J 29 and the offers for the Ordin and Deferred Ordinary shares revised on July 13 have been tended to August 4.

Acceptances have been recei in respect of more than 94 cent. of the Deferred Ordin and although a considerable nu ber of acceptances from Ordin holders and loan stockhold have been received, the off cannot yet be declared uncon tional. Letters are being urging members to follow advice of their directors accept.

FARROW & JACKS[ON] AND PURDY

J. Henry Schroder Wagg nounces that, in response to offer to acquire the capital recently acquired by it in Far and Jackson and Purdy, acc ances have been received respect of about 12 per cent the Ordinary for which the o was made, representing appr mately 7 per cent. of the Ordir capital.

Schroder Wagg held 162 Ordinary shares in FJP, repres ing approximately 41 per cent the capital, before the offer made and, with acceptances u the offer, now holds approxima 48 per cent. The offer is closed.

BLMC sells Scots Auto holdin[g]

British Leyland Motor Corporation has sold its total holding of 739,286 Ordinary shares in the Scottish Automobile Company to the Solsgirth Investment Trust Company at 60p per share.

Solsgirth is owned by the Alexander family and this purchase brings their total holding to 1,977,126 Ordinary representing 47.1 per cent. of the capital.

No change of policy is envisaged as a result, and BLMC will continue to be represented on the Board. The Alexander interests have no present intention of bidding for the balance of the Ordinary.

BLMC has purchased a further £250,000 tranche of 10 per cent. convertible unsecured loan stock from the Alexander interests, thereby increasing its holding to £474,821 representing 45.2 per cent. of the issue.

AMAL. DISTILLED

Amalgamated Distilled Products has acquired the capital of Southards of London (Vintners) for £26,500—£12,000 cash and balance by the allotment of 45,000 Ordinary 10p shares.

Southards had two trading subsidiaries, Southard and Company engaged in the wholesale wine and spirit trade, and a majority interest in Oliver and Co. (Wines). Immediately on completion of the acquisition the whole interest of Southards in Oliver has been disposed of for £16,224 in cash.

It is also announced that ADP acquired on June 15 the business and assets of M. Duff Mitchell for £16,500 in cash. This is a small whisky exporting company based in Scotland.

DUNDEE LINO

Coley-Rotolin Group's offer for the balance of the Ordinary shares of Dundee Linoleum has been accepted by the holders of 70.8 per cent. of those shares, making a total of 85.8 per cent. now held by Coley-Rotolin. The offer remains open.

TWYFORDS

In order that the formal offer document by Glynwed for Twyfords may include Glynwed's interim statement due to be published in early August, it is intended to post these documents to Twyfords holders on or about August 9.

WHARF-STERLING

The Boards of Wharf Holdings and of Sterling Guarantee Trust are discussing terms of an offer by Sterling for the Ordinary shares of Wharf not already owned. This follows the acquisition on July 16 of 31.7 per c of the Ordinary capital of W by Sterling at prices betw 200p and 211p.

Based on the informatio present available to the Boar Sterling, it has informed Board of Wharf that it does anticipate that any offer w be significantly in excess of average price paid for the sh already acquired. The Boar Wharf is now having discuss with its advisers. Sharehol will be kept informed.

JOHN BOLDING

Directors of John Bolding Sons announce that agree has been reached with Mat Surgical Equipment, part of Glaxo Group, whereby Bold subsidiary, Dent and Hellyer, take over production, mark and after-sales service of the hurn range of sterilisers.

Chairman, Mr. J. F. Bol feels confident that this arra ment will provide a signif contribution to profits in to come. The accounting is to be changed to Octobe and the next accounts will 10 months to October 31, 19

Accounts should be avai in February, 1972. Pressu business in manufacturing s renders this move advisabl is stated.

RECENT ISSUES

EQUITIES

Issue Price p**	Amount Paid Up	Latest Renunc. Date	1971 High	1971 Low	Stock	Closing Price p**	+ or −	Div. £ or Amount	Times Covered	Gross Yield %	P/E Ratio
75	F.P.	—	82	79	Allied Polymer	79	......	b12	1.3	6.7	15.7
◆	F.P.	—	150	150	Berwick Timpo (2½)	149	−1	b6	2.6	4.0	9.5
153	76	15/12	88	67	Border & Southern Conv.	83½	−2½	—	—	—	—
◆	F.P.	11/8	155	132	British & Can. Inv.	134	......	9	—	1.7	—
—	—	22/7	81	66	Brit. Land Warrants	78	−5	—	—	—	—
110	F.P.	9/7	116	97	Burston Group	102	−4	b16	1.7	3.9	15.3
—	—	—	128	99	Burton Grp. Warrants	123	−3	—	—	—	—
38	F.P.	21/7	45½	40½	Coley-Rotolin Grp.	41	......	b10	1.7	6.1	9.8
◆	F.P.	30/7	59	50	Commodore Secs.	65½	−½	b12½	P.2	2.2	20.7
♣	F.P.	—	61	53	Cosalt	58	......	b16	1.8	6.7	8.1
80	F.P.	11/8	95½	90½	Evans of Leeds	95	......	b15	1.4	3.2	18.1
46	F.P.	1/7	65	61	Fairview Estates (10p)	62½	......	b30	1.6	4.8	12.9
—	F.P.	—	475	370	First Inv. Am. Tst. ($4)	400	......	—	—	—	—
100	F.P.	5/8	103½	97	Glendevon Inv.	102	......	b12	—	2.9	—
100	F.P.	5/8	111½	100½	Do. Do "B"	111	......	—	—	—	—
62½	F.P.	—	[illegible]	180	Jewel Trust	205	......	—	—	—	—
80	F.P.	—	123	112	Kettering Motor Serv. 10p	114	−4	b40	1.6	3.5	17.3
52	F.P.	27/8	55	55	Lawdon (10p)	55	−2	b35	1.8	6.4	8.8
40	F.P.	4/8	45½	32	Lincroft Kilgour (10p)	38	......	b27	1.9	7.1	7.2
135	F.P.	9/7	190	147	M.F.I. Warehouses (10p)	180	−4	b54	1.6	3.0	20.6
◆	F.P.	11/8	265	250	Matthews Wrightson (20p)	260	......	140	1.9	3.1	17.8
62	F.P.	25/8	78	72	NSS Newsagents (10p)	73	−2	b22½	2.2	3.0	14.8
59	F.P.	—	71	60	Northborough Inv.	[illegible]	......	—	—	—	—
—	F.P.	—	86	78	Schlesinger (R1)	80	......	k4.2	—	3.1	—
100	F.P.	16/7	101½	97	SPLIT Inc. (10p)	100	−½	77.5	—	7.7	—
100	F.P.	15/7	105	91½	Do. Cap. (10p)	102	−2	—	—	—	—
50	F.P.	7/7	91	60	Tigon Group (10p)	89§	......	b23	1.5	2.6	25.7
—	F.P.	—	34	25	Tower Assets (10p)	31	......	q7½	2.1	2.4	19.7
75	F.P.	4/8	81	71	Tranmer Grp. (10p)	74	......	b40	1.7	5.4	11.2

FIXED INTEREST STOCKS

Issue Price	Amount Paid Up	Latest Renunc. Date	1971 High	1971 Low	Stock	Closing Price p**	+ or −
£100	£25	16/10	25¾	24½	Automotive Prods. 10.4% Deb. '96-2001	25	......
£100	F.P.	—	95½	92¾	Barrow Hepburn & Gale 10½% Ln. Stk. 89/94	92¾	......
£100	£25	18/6	52	24	Bensons Hos. 10% Conv. 1977-81	25	......
£100	£35	29/10	35½	34½	Brady (G.) 11% Deb. 1991-96	35½	......
—	F.P.	22/7	95¼	93½	Brit. Land 9½% Uns. 1978	94½	......
♥£100	F.P.	7/7	98	94	Brittains 10½% Conv. 1991-96	96	−2
£100	F.P.	19/8	106	93	Cannon St. 9½% Part Conv. 1978	105	−1

Issue Price	Amount Paid Up	Latest Renunc. Date	1971 High	1971 Low	Stock	Closing Price p**	+ or −
£100	F.P.	—	113½	103¾	Can & Counties 9½% Uns. '91-6 (with Warrants)	111½	−1½
£100	nil	6/8	8	5½	Cattle Hlds. 9% Conv. '87-91	6½pm	−½
£100	F.P.	16/6	115	96½	Cornwall Prop. 10% Partly Conv. 1976	115	+5
£97¾	F.P.	—	99¾	92¾	Doncaster (D.) 11% Deb. 96-2001	99½	+½
£103	F.P.	23/7	111	106	East Anglian Water 10% Red. Pref. '77	106	......
♥£100	F.P.	9/8	107½	101	Eng. & Int. 7% Conv. 1988	107½	......
£100	£50	30/7	56½	50	Euston C. Props. 10.4% 1st M. Deb. '92-7	53¾	−⅝
£100	£25	13/8	27½	25	Ford Int. 7½% Conv. Guar. '80-6	27½	+¼
£100	F.P.	29/7	105	100¾	Glendevon Inv. 10.6% Deb. '91-96	105	......
£99	£50	1/10	51½	50	Hargreaves 10½% Deb. '92-97	51½	......
£100	£50	24/9	53½	52¼	Hepworth Cer. 10.4% Deb. '92-7	52¼	−½
£97½	F.P.	30/11	98½	98	I.C.F.C. 9% Uns. Ln. Stk. 1977	98	......
♥£100	F.P.	2/7	121	105½	I.C. Gas 7% Conv. 1990-95	118	−2
£98	F.P.	7/5	108	99¾	I.C.I. 10½% Uns. Ln. Stk.	105½	......
††	F.P.	17/9	105½	96	Kent Castings 10% Part. Conv. 1976	102	−1½
††	F.P.	20/8	109	105	Kleeman 7½% Conv. 1981	109	......
—	F.P.	30/6	74¾	72½	Land Secs. 6¾% 1st Mort. Deb. '78-83	74½	......
—	F.P.	30/6	66½	63	Do. Do. Do. 1993-98	65½	......
—	F.P.	30/6	90	85	Do. 8½% Uns. Ln. Stk. '92-7	89¼	......
£103	£10	27/8	18	18	Mid. Sth. Water 10% Red. Pref. '77	18	......
$100	F.P.	—	97½	97½	National Bank of Hungary 8¾% US$ Bds. 1981	97½	......
††	F.P.	15/9	96	92½	Newman Inds. 10½% Part. Conv. '96-8	96	+1
£100	nil	—	12½	2	Plantation 11% Conv. Sub. '91-96	9pm	+1
£100	F.P.	—	106	100	Ralli Int. 9% Uns. 1974	104	−2
£99	£25	7/10	25½	24¼	Reeves (F. J.) 11% Deb. '96-2001	25¼	......
£100	F.P.	13/8	107	96	Ruberoid 10% Prtly Conv. Uns. Ln. Stk. 90-95	107	......
$100	F.P.	—	98½	98½	Sandvikens 9% $ Bonds 1988	98½	......
£100	F.P.	18/6	110½	103½	Scott. Auto. 10% Conv. Uns. '85-90	105	+½
£103	F.P.	23/7	111	108	Sutton Water 10% Red. Pref. '77	108	......
♥£100	F.P.	9/7	104	100½	Temple Bar 5¾% Conv. '85-90	104	......
£100	nil	6/8	5¼	4½	Throgmorton Tst. 8¾% Conv. '88-92	5¼pm	......
£100	nil	—	4¾	4¼	Union Comm. 6¾% Conv. 1986	4¼pm	−¼

"RIGHTS" OFFERS

Issue Price p***	Amount Paid Up	Latest Renunc. Date	Stock	Closing Price p***	+ or −
$1.00	Nil	—	Austim	7pm	......
[illegible]	[illegible]	2/7	Bougainville Mines	98	......
140	Nil	—	Bovis	40pm	−3
27½	F.P.	30/7	Bridgend Inv.	32½	......
27	Nil	6/8	Scottish Tea & Rubber	4pm	−1½
95	Nil	—	Wolsey-Hughes	25½pm	+½

Renunciation date usually last day for dealing free of stamp duty. a Placing price to public. b Figures based on prospectus estimate. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. K Figures based on prospectus or other official estimate for 1969-70. p*** Pence unless otherwise indicated. ** Issued by tender. ‡ Offered to holders of Ordinary shares as a "rights." ♥ Issued by way of rights. † Rights by way of capitalisation. †† Tender allotment price. ◆ Reintroduced. ‡‡ Issued in connection with reorganisation, merger or take-over. ✠ Provincial quotation. ♣ Introduction. ♠ Issued to former Preference holders. * Dealt in under Special Rule. § Price at time of suspension.

INTERNATIONAL COMPANY NEWS + OVERSEAS MARKETS

Nixdorf may join with AEG in computer venture

BY CHRISTOPHER LORENZ

FRANKFURT, July 21.

[GO]VERNMENT-backed plans for [Sie]mens and AEG Telefunken, [We]st Germany's leading electrical [con]cerns, to set up a joint subsi[dia]ry to build large computers [ha]ve fallen through, it was [an]nounced to-day.

[A]EG will shortly present a new [pro]posal for the development of [lar]ge computers, the company [sai]d in a statement. Authorita[tiv]e sources told the Financial [Tim]es that AEG is having talks [wit]h Nixdorf, the private but [rap]idly-growing North German [com]puter concern, and that [Nix]dorf appeared a willing part[ner].

[T]he Siemens-AEG plan was for [a c]omputer big enough to rival [IBM]'s larger equipment. The [two] companies came together for [deta]iled negotiations in the spring [of] 1970 after several years of [Gov]ernment pressure. AEG was [f]eeling its TR550 would become [the] first product of the new joint [sub]sidiary.

[T]he reasons for the collapse of [the] talks appear to be two-fold. [Firs]t, Siemens decided that the [who]le project was not economic-ally viable because of the restricted size of the market for giant computers. Secondly, it insisted that the new company's products should be completely compatible with its own existing range of small- and medium-sized equipment.

The decision was conveyed to the Science Minister, Prof. Hans Leussink, in person to-day by the heads of both companies' computer operations. The Government is clearly disappointed, particularly as it was understood from both companies a year ago that they were keen to go ahead with the project.

Government sources insist that as yet not enough information is available to state conclusively whether the project—details of which have yet to be defined—is viable or not. In its calculations, it is concerned not only with the marketability of the computer itself, but also with the technological spin-off.

It is particularly aware of the question of whether companies will be able to build medium-sized computers in future without making technological progress through the construction of giant ones. Siemens, on the other hand, is understood to feel that the rapid development of medium-sized computers may make large equipment steadily less marketable.

The sudden emergence on the scene of Nixdorf, still 100 per cent. owned by its founder, Heinz Nixdorf, and a specialist in small computers, will necessitate some radical rethinking by AEG of the supposed structure of the "big computer union," particularly as Nixdorf cannot call on the breadth of technical experience and resource that was available at Siemens.

Finance would seem less of a problem, particularly as the Government is clearly committed in principle to the realisation of the project, but the news of the talks with Nixdorf will encourage speculation that the smaller company may shortly go partially public or link with a larger one. Herr Nixdorf is already on the supervisory Board of Olympia Werke, a 100 per cent. AEG subsidiary, and to many people an Olympia Nixdorf link would make good sense.

U.S. airline profits show mixed trend

BY NICHOLAS COLCHESTER

NEW YORK, July 21.

TRANS WORLD AIRLINES and American Airlines, two major U.S. companies in that trade, to-day revealed a sorry state of deficit for the first six months of 1971. TWA's results for the second quarter made up some ground, while American's continued to deteriorate, forcing the company to omit its third dividend for the year.

TWA, which has recently done much to shed its image as the sickest member of the industry, reported a second quarter profit of $7.3m., compared with a loss of $3m. last time. More encouraging still, it reported that its net profit for the month of June was $8.4m., against $6.1m. for the same month in 1970. This was a useful increase in one of the months that is among most important in the industry's year.

In cotrast, American Airlines had a worse second quarter this time, with its earnings down from $2.7m. to $1.006m., and in June the company's net earnings fell from $5m. to $4.4m.

As a result, the company has made a loss for the first half of $23.2m., compared with a loss of under $2m. in the first half of last year. And it has suffered this setback in spite of the fact that it has flown a greater number of passenger miles so far this year and has had revenues of $577m., compared with $553m. It is with this unhappy performance in the background that the directors have decided to waive the normal 20 cents quarterly dividend which was last paid at the beginning of June.

TWA's six-month loss now stands at $30.9m., compared with $40.8m. at this time last year. Revenues increased to $321.8m. in the second quarter of 1971 from $301.8m.

BMW SALES UP

BMW sales rose by 5 per cent. in the first half of the current year to DM874.4m. A total of 82,578 cars were produced, compared with 81,844 in the first half of 1970, and West German registrations of BMW rose by 10 per cent. to 46,900. Exports increased 4 per cent. to 36,104 units. Motor-cycle output totalled 9,538 units, against 5,272.

Foreign banks take the credit

BY MICHAEL SOUTHERN, AUSTRALIAN EDITOR

THE ACQUISITION by First National City Bank, of New York, of a 40 per cent. interest in Industrial Acceptance Corporation, the second biggest finance house in Australia, is the latest in a series of moves by foreign, especially U.S., banks into the Australian finance sector.

The Bank of Tokyo has taken 25 per cent. of Beneficial Finance, the Bank of America 20 per cent. of Caga, the Hongkong-Shanghai Bank has 40 per cent. of Mercantile Credit, and the Chartered Bank 40 per cent. of Mutual Acceptance. The list goes on and on.

The attraction is easy to discover. Foreign banks, with three exceptions, are not allowed to operate in official banking in Australia. Also, the restrictions that are placed on the activities of the banks by the Reserve Bank are such that they have not been keeping pace with the economic growth of Australia; the finance houses have. Some time this year, through no real conscious effort, the finance houses gross receivables will overtake those of the trading banks, and in doing so will have closed a gap of more than $1,000m. in four years.

The finance houses, operating outside the restrictions imposed on the banks, have been growing at a remarkable pace over the last decade. The banks themselves have been aware of this, and most own subsidiary finance companies as part of their effort to keep pace with the growth, or have an interest as major shareholders. Their place in the credit market has become increasingly important as the accompanying table shows.

Over a 12-year period, the changes in the image of the finance companies and their activities has been enormous. The old hire purchase stigma has disappeared as the change to a credit society from a cash society has begun. It is partly seen in the fact that in terms of credit debt per head of population, Australia is third in the world, with the U.S. and Canada ahead. The Australian Finance Conference, an association of the major finance houses, estimates that total amounts currently owing to finance companies and retailers have reached a record $2,280m., representing $175 a head. This compares with a debt of $432 per head in the U.S., and the Finance Conference feels that there is scope for greater development in the Australian debt.

Receivables

	June, 1969 %	June, 1970 %
Trading Banks	32.8	31.9
Finance Coys.	23.0	24.4
Savings Banks	16.9	15.2
Building Soc. (est)	11.6	13.7
Life Ins.	10.0	9.5
Retailers	2.6	2.3
Pastoral Finance cos.	2.5	2.3
Credit Unions	0.6	0.7
Total	100	100

"Australians generally are by no means overcommitted," says its executive director, Mr. John Llewellyn. Salaries, he notes, are increasing faster than consumer credit commitment.

At the end of the 1950s, the Australian finance houses were essentially involved in hire purchase on motor-cars and to some extent consumer durables in areas where stores did not have their own credit facilities. At December last, 55.2 per cent. of their lendings went to finance business property developments and the like. The bulk of the business finance is in mortgage and commercial loans ($1,491m.), followed by lease financing, $396m.

The credit field, however, has hardly been exploited. There are no credit card systems that generate from within the country, only extensions of Diners' Club, American Express and so on. They are by no means in widespread use, and it is difficult with Amex when one is constantly having to remit to London. It is an area which the banks have explored and appear to want to stay out of in spite of the affluence of Australians' average bank balance per head in savings banks is $583.

Three States—N.S.W., South Australia and Western Australia—have recently introduced legislation to lower the minimum age for hire purchase commitments without parental consent from 21 years to 18. This opens up, once the legislation applies throughout Australia, an additional market for credit of 642,626 people. It will not, says Llewellyn, become an open floodgate of easy credit for teenagers. The memories of an abortive honour plan experiment five years ago will see to that. At the time, certain retail stores tried to beat the law by granting credit to teenagers although there was no legal obligation to repay. It appeared that there was, then, little honour among the teenagers and thousands of dollars were written-off as bad debt losses.

CompAir agreement

BY OUR INTERNATIONAL COMPANY NEWS STAFF

INTERNATIONAL Compressed Air Corporation (CompAir) announced that agreement has been reached in principle for the acquisition of Kellogg-American Inc. for a total of $9m. (£3.75m.), representing $15 (625p) per share. Kellogg-American was founded in 1906 and is a quoted U.S. corporation manufacturing stationary air compressors. Its principal manufacturing plant is near Pittsburgh, Pennsylvania, and it has subsidiary plants in Los Angeles and Dallas.

In the year to December 31, 1970, Kellogg-American had net sales of just under $10m., with net profits of $659,000. The acquisition will be made entirely for cash, which CompAir proposes to finance by dollar loans.

As foreshadowed in the chairman's statement earlier this year, CompAir, the largest manufacturer of compressed air equipment in the U.K., will now achieve a major ambition of a direct presence in the U.S. market.

Kodak reports good outlook

By Nicholas Colchester

NEW YORK, July 21.

INCREASED profits for the second quarter and a bullish outlook for the rest of 1971 were to-day reported by Kodak, the leading American photographic company.

The company's net earnings per share were 55 cents for the most recent period compared with 51 cents in the second quarter of last year. The total quarterly profit was $88.4m. on sales up by 9 per cent. to $674m.

However, despite record sales, the company's earnings for the first half of the year are down somewhat from $1.02 a share to 97 cents. The main adverse factor has been a rise in research and development expenditure and in start-up costs of new manufacturing facilities. The company has also been selling less to government and defence contractors.

BRIEF

Europe

[?]STERKODER MEKANISKE [VE]RKSTED, of Kristiansund, won [orde]r for three stern trawlers [from] Canadian company, Fishery [Pro]ducts Limited. Delivery is [sche]duled for 1973. Order was [won] in keen competition with [yard]s in Spain and Japan, after [repr]esentative of Canadian com[pan]y made test trip to fishing [grou]nds in trawler of same type, [built] by Sterkoder.

[J]ULIUS BAER INTER[NAT]IONAL, London-based mer[chan]t bank 51 per cent. owned [by J]ulius Bär, of Switzerland, and [.. p]er cent. by United Dominians [Trus]t, reported profit for year [ende]d March 31 last rose to [£...]950 from £196,446. Since [Marc]h 31 last, arrangements have [been] made in issue £500,000 Sub[ordi]nated Loan stock, being first [tran]che of £1m. due in 1980, [deno]minated in Swiss francs and U.S. dollars, to support increasing operations of bank, particularly in foreign currencies.

North America

● BANK AMERICA CORPORATION'S performance for first half of 1971 reflected sustained growth in earnings, deposits and resources, president A. W. Clausen claimed. Consolidated income, before securities transaction, for six months ended June 30 increased by 7½ per cent. to $78.835m., or $2.29 per share. This compared with $73.304m. or $13 per share for the same period last year. Bank-America Corporation's net income for six months amounted to $82.550m. ($2.40), compared with $73.583m. ($2.14) year ago. Profits on securities were $3.715m.

● AMERADA-HESS net earnings rose to $84m. (equal to $2.34 a share) in first six months this year from $46.2m. ($1.30) in same 1970 period on sales of $697m. ($539). The 1971 net profit excludes extra-ordinary income of $15.3m., or 42 cents, from sale on March 31 of warrants to buy Louisiana Land and Exploration Company. Per-share earnings figures were adjusted to give effect to a 2½ per cent. stock dividend declared in May and payable July 26.

● GOODYEAR TIRE AND RUBBER reported sharply improved profits for second quarter. Its earnings per share increased from 33 cents to 67 cents and its sales rose to $954.2m. from $820.4m. in second quarter of last year, when operations were adversely affected by strike.

SELECTED EURODOLLAR BOND PRICES MID-DAY INDICATIONS

	Bid	Offer		Bid	Offer		Bid	Offer
Conoco 9½pc 1985	103½	104½	Oslo 8½pc 1988	93½	94½	Beatrice 7½pc 1990	120½	121½
8½pc 1986	94½	95½	Olivetti 9½pc 1985	102½	103½	Borden	102½	103½
am 8½pc 1986	97½	94½	Ontario Hydro 8½pc 1986	97½	98½	Chrysler 5pc 1988	69	70
Gaard 8½pc 1986	95½	96½	Philips 6½pc 1976	97½	99½	Eastman Kodak 4½pc 1988	93½	94½
8pc 1986	94½	95½	Quebec Hydro 8½pc 1986	95	96	Equity Funding 5½pc 1989	84½	85½
9½pc 1985	104	105	Transocean Gulf 8pc 1986	94½	95½	Firestone 5pc 1988	93½	94½
milds 9½pc 1985	102½	103½	Notes			Ford 6pc 1986	105	106
ark 9pc 1982	102	103	Ericsson 6½pc 1978	103½	104½	Fuji Photo Film 6½pc 1985	135	137
8pc 1986	97½	95½	Esso 7½pc 1978	98½	99½	Honeywell 5pc 1983	100	101
9pc 1985	106	107	Esso 8½pc 1975	103½	104½	Kinney 6½pc 1990	107½	109½
al Mills 8pc 1986	94½	95½	Gaiz Osweeo 8½pc 1977	89½	90½	Komatsu 5½pc 1984	101	102
8pc 1986	95	96	Bawker 9pc 1975	101½	102½	Michelin 6pc 1985	107	109
ens 9½pc 1985	103½	104½	Nippon Petr. 7½pc 1973	98½	99½	Murphy 5pc 1989	83½	84½
isley 9½pc 1985	101½	102½	Oslo 1975	103½	104½	Owens Illinois 5pc 1977	102½	103½
1pc 1982	84½	85½	Transocean Gulf 8½pc 1973	102½	103½	Pepsico 4½pc 1981	123	124
d 8½pc 1989	92½	93½	Source: White Weld Securities.			Rand Selection 6½pc 1986	103	104
9pc 1985	102	103	Convertibles			Revlon 4½pc 1983	102½	103½
Ferguson 9pc 1982	101½	102½	Alusuisse 7pc '81 cum. wts.	103½	104½	Suez 7pc 1985	101	102
ntio 8½pc 1983	101½	102½	American Can 4½pc 1988	79½	80½	Texaco 4½pc 1988	88	89
K. Finland 8½pc 1986	91½	92½	American Brands 5½pc 1988	119½	120½	20th Century Fox 5pc 1987	59	60
ntal 9½pc 1982	100	102	Amorn 5½pc 1984	96½	97½	Union Carbide 4½pc 1982	94½	95½
						Source: Kidder, Peabody Securities.		

[C]OMPANY NEWS

[B]etter year for Associated Newspapers

[TH]E cautiously optimistic [on] prospects for Associated [News]papers, Mr. Vere Harmsworth, the chairman, yesterday [sa]id that current year results [wil]l certainly be better than [those] for the year to March, 1971, [when] pre-tax profits totalled [...]m. Benefits would be felt [by n]ewspapers from the Chan[cellor]'s measures to re-stimulate [the ec]onomy.

[Mr.] Harmsworth, said the Daily [Mail] was currently suffering the [effect]s of the price increase and [the s]ummer holiday season. It [was] hoped, however, that the [pa]per's circulation would be [...] over 2m. copies daily by [...]

[Sou]thern Television, in which a [.. p]er cent. stake is held, had [produc]ed better results so far [this y]ear as a result of changes [in the] levy, said Mr. Harmsworth.

In selling prices consequent upon the increase in the Budget last April has had some effect on the level of sales projected for the year in the home market. Export sales show a marginal improvement, the chairman states.

[B]ay Hall [T]rust ahead [at] half way

[Dir]ectors of Bay Hall Trust are [pay]ing an unchanged interim [divide]nd of 2p per 50p Ordinary for the year to October 31. For the previous year, the [total wa]s 6.5p.

[In t]he half-year to November [...], total income increased [from £]378,000 to £475,000 and pre[-tax r]evenue from £187,000 to [...].

	Half-year 1970-71 £	1969-70 £
[Divident]s and int. received	465,000	446,000
[Underwrit]ing profits, etc.	10,000	42,000
[Inc]ome	475,000	378,000
[Expen]ses, etc., interest	144,000	147,000
[Manage]ment & gen. exes	47,000	44,000
before tax	284,000	187,000
[illegible]	9,000	4,000
[Reve]nue	275,000	183,000
[...]s subsidiaries	*28,000	39,000

* Loss.

[Net a]sset value per share after [deduct]ing debentures at par but [not] allowing 22p per share [at Decemb]er 31, 1970, 22p) for [potenti]al capital gains tax liability [on un]realised appreciation of in[vestme]nts and provision for [...]der of 25 per cent. of dollar [premi]um was 228p (226p).

[The] interim dividend again [absorb]s £245,000. Considerably [more th]an half the year's dividend [income] arises in the first six [months], the directors state.

[Iri]sh [Di]stillers [to] improve

[The chair]man of Irish Distillers [Group], Mr. F. J. O'Reilly, expects [profits] for the year to September [30 nex]t "to be somewhat better [than th]ose of last year."

[In] the previous year there [was a p]re-tax profit of £1,227,415. [A mai]ntained interim of 6 per [cent. is] declared. Total for 1969-[70 wa]s 17 per cent.

[The g]roup has borne signifi[cant c]ost increases both in the [price] of raw materials and in [its] overheads. The increase

Cable Trust earnings & interim up

PRE-TAX EARNINGS of the Cable Trust group show an increase from £2,028,000 to £2,165,000 in the six months ended June 30, 1971.

The interim dividend is raised from 7 per cent. to 7½ per cent.—total for 1970 was 15½ per cent. from profits of £3.74m.

Allowing for tax of £861,000 (£832,000), the first half net earnings emerge at £1,304,000 (£1,196,000).

The 1971 figures are before charging gross interest to date on the loan stock issued on acquisition of Ordinary shares in Aberdeen, Edinburgh and London Trust. It is estimated the net cost for a full year will be covered by the income received from the investment in that company.

Valuation of investments shows quoted investments at market value £88,951,000 (£78,454,000 at December 31) including 75 per cent. — £2,313,000 of dollar premium (£2,135,000). Unquoted investments at valuation totalled £33,798,000 (£22,861,000). Net asset value of each 25p unit of Ordinary Stock is 159½p (135p).

Statement Page 23

Globe Trust's first quarter earnings rise

First quarter earnings, before tax, of Globe Investment Trust are ahead from £664,000 to £718,000. After tax of £282,000 (£273,000) the net figure is £436,000 (£391,000).

Valuation of the investments shows quoted investments at market value at £77,795,000 (£70,314,000 at March 31) including 75 per cent.—£1,855,000—of dollar premium—(£1,530,000). Unquoted investments at valuation stood at £25,023,000 (£22,705,000). Net asset value of each 25p unit of Ordinary Stock is 161½p (142½p).

Polymark omits dividend

An attributable loss of £43,890 is reported by Polymark for 1970, against a £38,630 loss in 1969, and directors are not recommending any dividend. In 1969 a single 7½ per cent. interim was paid.

At the pre-tax level, there was a profit of £57,700, against £17,395, and is after providing for £146,530 (£60,318) Italian trading losses and provision for Italian bad debts.

The directors are of the opinion that the majority of the Italian losses have been absorbed.

	1970 £	1969 £
Trading profit	204,230	77,713
Losses, etc.	*146,530	60,318
Profit before tax	57,700	17,395
Taxation†	95,102	49,434
Net loss	37,402	32,039
Minorities	5,488	6,541
Attributable loss	43,890	38,630
Dividends	—	20,400

* Includes in 1970 Italian trading losses £93,530 and provision for Italian bad debts £53,000. † Comprises U.K. tax £29.937 (£7,658) and overseas tax £65,165 (£41,826).

The group supplies special marking machinery to laundries and garment manufacturers. Meeting, October 6.

Taylor and Hartley pays 1% extra

The Taylor and Hartley Group is recommending a 6% final dividend to step the total up from 9 per cent. to 10 per cent. for the year ended April 30, 1971.

From turnover of £4,456,252 (£4,396,754), profits before tax were down slightly from £205,992 to £203,066 after depreciation, £60,273 (£51,933).

Pre-tax profits in the first six months amounted to £123,336 (£96,091).

The year's tax charge is £72,233 (£86,654).

The group trades as manufacturers of cotton and rayon goods, motor dealers and insurance brokers.

British Anzani settles allowances

British Anzani Engineering's claim for industrial building allowances has now been agreed by the Inland Revenue. The effect will be to make available some £300,000 of allowances covering the years 1967-71.

This was disclosed by Mr. Gerald Faull, the chairman, at yesterday's annual meeting in Maidstone. He told shareholders that the allowances would be used very largely in reducing the tax provision made in earlier years with the remainder being available to carry forward against future profits.

"Furthermore, we shall have additional annual allowances in the future of approximately £35,000," Mr. Faull added.

£70,020 LOSS FROM KIRBY'S

Kirby's, motor engineers and salesmen, reports a loss of £70,020 for 1970, compared to a £62,811 loss in 1969. Again there is no tax charge.

In 1969, there was a £73,262 surplus on disposal of fixed assets.

No dividend is being recommended—the last payment was a single 7½ per cent. payment in 1968.

General Eng. (Radcliffe) recovery

THE first objective of a return to profitability has been achieved by General Engineering Company (Radcliffe) for the year ended March 31, 1971, and is in line with the budgets prepared a year ago. The profit of £46,713, against which no provision for taxation is necessary in view of the loss for the previous year—£340,936—is arrived at after charging reorganisation costs.

After a tax credit of £4,000 (£172,000) the net profit amounts to £50,713, against a net loss of £168,936.

At the half way stage, there was a net loss of £103,927, against £98,197.

Liquidity has been improved directors state, but it is essential to continue the build-up of resources and at this early stage in recovery a token dividend of 2½ per cent. is recommended.

The last payment was a final of 12½ per cent., making 22½ per cent. for 1968-69.

	1970-71 £	1969-70 £
Turnover	4,276,834	5,613,399
Trading profit	310,194	79,456
Depreciation	78,965	87,141
Interest paid	184,516	203,251
Profit	46,713	*210,936
Provision for special stock losses	—	130,000
Profit	46,713	*340,936
Tax credits	4,000	172,000
Net profit	50,713	*168,936
Dividend	17,442	—
Forward	304,351	271,080

* Loss.

Directors state that the reduction in turnover for the year is due to completion in the previous year of two large overseas contracts. Apart from these, turnover increased by over £½m.

The full impact of new policies and extensive development of the product range has yet to work through. Also there was no contribution to profits for the year either from long-term contracts or Trafalgar Engineering. The development stage of the latter has now been virtually completed, its productive capacity is heavily booked and significant profits from it are anticipated for the current year.

Order books and inquiries for the whole group are "very encouraging" both at home and in the export field, directors state, and subject to any unforeseen circumstances earnings should be considerably enhanced for the current year.

MELIAS

Pre-tax profits of Melias for the 53 weeks ended April 3 last were £122,000, compared with £113,000 for the preceding year. Non-recurring costs of decimalisation were £12,000 and taxation £19,000. The results reported on Thursday stated incorrectly that profit was £110,000 after tax of £19,000.

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Mr. Pickard answers DTI criticisms

AT THE annual meeting of the British Printing Corporation held in London yesterday, director Mr. Michael Pickard made the following statement about points raised in the report of the Department of Trade and Industry's inspectors into the affairs of Pergamon Press and International Learnings Systems Corporation.

A number of *specific criticisms* have been made by the inspectors about the actions I took in my capacity as finance director of British Printing Corporation in the formation and first year's activities of International Learning Systems Corporation.

In view of both the remarks of the inspectors and the subsequent Press comment I would like to make the following specific points:—

I was unaware of a substantial proportion of the evidence given by Mr. Le Bas and find that I am in complete disagreement on a number of vital issues.

(a) *As finance director* of BPC, I was continually telling Mr. Le Bas that the corporation could not sustain the high level of finance and debt between Caxton and BPC and urged Mr. Le Bas to take positive action either by way of rights issue or sale of the company.

(b) I informed Mr. Le Bas clearly and precisely that BPC was unable to bid for Caxton Holdings due to our own very substantial over-borrowed position. There could have been no reason *for Mr. Le Bas* to be in doubt on this issue.

(c) Mr. Le Bas personally expressed to me his pleasure and relief at BPC's new involvement in the company and the first time BPC was aware of contrary comments was indirectly after he left the company and through his evidence to the inspectors.

The inspectors refer to the ante-dating of agreements. The *BPC/ILSC agreements were dated* within the financial year of the company upon the advice of the company's lawyers and with the knowledge of the company's auditors.

These agreements evidenced transactions that had taken place in December, 1967, including the transfer of shares and the payment of money. The Inspectors in their Report themselves concede that the auditors and the Inland Revenue would have had no grounds for treating the *accounts differently* if the agreements had all been dated with the date on which they were executed.

They also go on to say that they are satisfied that there was no intention on anyone's part to defraud anyone and no one was defrauded. It could just as well have been said that they had no intention to deceive anyone and no one was deceived. It is moreover difficult to see how I could have been more forthcoming in my evidence.

It is alleged that the first interim dividend was paid otherwise than out of profits. The body of the report refers to the evidence of the BPC directors on the ILSC Board, including myself. I took considerable pains to see *that* the payment of *the dividends* came within the level of profits warranted by Pergamon Press Ltd.

The Inspectors state that contrary to the Directors' belief at the time such profits would not have been available for distribution, but we have obtained leading Counsel's opinion confirming that warranted profits are profits available for distribution. The second dividend was again approved by the BPC Directors on the *ILSC* Board *similarly* against the background of the warranty of profits referred to above and they gave evidence accordingly.

However, in the final accounts for 1968 for BPC, the second dividend was not credited to profit and loss account but as a matter of prudence was carried to reserves. This decision was taken because the audited accounts of ILSC were not available at the time of the completion of the BPC accounts.

The Annual *Report* and Accounts for BPC for the 52 weeks to the end of December 1968 are criticised for an inaccurate note relating to the *treatment of dividends*. This point was never put to the company. Notes 3, 9 and 11 to the Accounts explain the matter precisely, clearly and correctly as should have been evident to the Inspectors.

The whole Report appears heavily influenced by the benefit of hindsight and whilst it is accepted that it was a mistake to *become partners with Pergamon* Press without obtaining any part of the Executive Management *responsibility*, I and other BPC directors maintain that they acted properly throughout the transaction.

Lord Geddes attacks hotel registration plan

BY ARTHUR SANDLES

A SHARP rejection of proposals for hotel registration, classification and grading in Britain came yesterday from Lord Geddes, newly elected president of the British Hotels and Restaurants Association. He described the campaign for registration as "bureaucratic nonsense."

Details of some form of registration scheme in Britain are being hammered out by the regional *tourist Boards in consultation* with the British Tourist Authority. Hoteliers have been fiercely opposed to such plans since they were mooted.

Lord Geddes was speaking at the association's annual meeting. He first rounded on the Press and accusations about London hotel prices. He said that in his experience, "*London undoubtedly boasts* a wider variety of hotels than does any other European capital. Like for like, she offers equally as good a value in terms of accommodation, standards, and service."

Turning to registration, he said: "One begins to see the shade of an army of inspectors, with their own *individual* views as to what is good or bad or indifferent and what is good for the student may be bad for the wealthy widow or vice versa. But this army of inspectors may cost as much as £1m. a year. Who is to pay for it and to what advantage?

"Moreover, a hotel which was inspected in November and came under new management in February by August will be something quite different from that which is *recorded in the bureaucrat's list*.

"I think, and have always thought that this campaign had an underlying tone of 'jobs for the boys' and I think that it can be *positively counter-productive* so far as the hotel industry is concerned."

"In a community which advocates freedom of choice," *he said*, "in which resale price maintenance has been abolished for the retail sector, why should one section of the service industry be subjected to price controls? Prices find their own level in a competitive market and the current *expansion rate of* London hotels has ensured that this will be an extremely competitive area indeed."

ALLIANCE HOME LOANS UP

An increase of 31 per cent. in home loan advances during the first six months of 1971 is reported by Alliance Building Society. Advances to home buyers in the period were £39m., compared with £29.8m. in 1970.

APPOINTMENTS

Board changes at RTZ

Mr. R. H. Carnegie, Mr. F. F. Espie, and Mr. R. T. Madigan, have been appointed to the Board of the RIO TINTO-ZINC CORPORATION.

Mr. Carnegie is joint managing director of Conzinc Riotinto of Australia, Mr. Espie is a director of CRA and chairman of Bougainville Copper Pty. and chairman of New Broken Hill Consolidated, and Mr. Madigan is a director of CRA and chairman and managing director of Hamersley *Iron*.

Sir Maurice Mawby, chairman of CRA and Mr. A. J. Rew, joint managing director of CRA, are retiring from the Board of the Rio *Tinto-Zinc Corporation*, having relinquished their executive responsibilities with CRA.

★

Mr. Rowland Landman who *recently retired from* the *main* Board of First National Finance Corporation, has been appointed a non-executive director of REFUGE SECURITIES.

★

Mr. R. Black has become deputy managing director of CAMPARI and *Mr. B. Benjamin is* now *sales* director.

★

Mr. B. Bowley, Mr. J. Napier-Fenning and Mr. N. Hosp have been appointed associate directors of CLARK AND FENN (HOLDINGS).

★

Mr. R. Jolly has been appointed managing director *of* WELLMAN INCANITE FOUNDRIES, a member of the Wellman Engineering Corporation.

★

Mr. Richard H. Amis has *become chairman* of Booth Concrete.

Mr. Clive L. Hearn has been made chairman of T and E Homes, Tickner and Emmerton, Manton Developments, Unit Construction (Southern) and Booth Mechanical Services (Southern).

Mr. Amis and Mr. *Hearn* are the managing directors of Alfred Booth and Co., the parent concern.

★

Mr. Michael Reiss, chief aviation broker of F. BOLTON AND CO. (HOLDINGS), has been *appointed a director of* the company. Mr. P. S. S. Stephens has joined the Board of F. Bolton and Co. (Foreign).

★

Mr. Derek G. Jay has been appointed a director of HOGG ROBINSON AND GARDNER MOUNTAIN (LIFE AND PENSIONS).

★

Mr. Victor J. A. Underhill has been appointed director of *accounting* in *the Finance Division* of STERLING-WINTHROP GROUP.

★

Mr. Denys E. Petchell has been *appointed* to the Board of ORBIT HOLDINGS.

★

Mr. James Ryder, general manager and a director of Smith's Dock, part of the Swan Hunter Group, and Mr. James Ogden, a partner of Boote Edgar and Co. have joined the Board of TURNBULL MARINE DESIGN COMPANY.

Mr. Ryder also joins the Board of Ross Turnbull.

★

Mr. Donald E. Taylor, senior partner of Weatherall Green and Smith, has been appointed a director of OLYMPIA.

★

Mr. John Brassington has joined the Board of TRAFFORD PARK ESTATES as managing director.

★

Mr. J. J. Warr, a manager, has been appointed to the Board of the UNION DISCOUNT COMPANY OF LONDON. He is the fourth executive of the company to be made a director in recent years.

Mr. J. J. Warr

★

Sir William Beale, who is reducing his business commitments on medical advice, has resigned as chairman and from the Board of STAPLEGREEN INSURANCE HOLDINGS, from July 31.

Mr. Francis L. Perkins has been elected chairman from August 1, *and Mr. J. D. Spooner deputy* chairman with immediate effect. Mr. M. P. Abbott has been appointed a director from August 1.

Sir William will not be seeking re-election to the Board of Melbray Group at the next annual meeting.

★

Mr. S. L. Elkington, secretary and financial controller of the SHEFFIELD TWIST DRILL AND STEEL COMPANY, has been elected *to the Board* of that company.

★

Mr. George Rijken has been appointed marketing director of LANSIL.

★

Mr. H. T. W. Jeans has resigned as a director of ROBT. BRADFORD (HOLDINGS) because of ill-health.

★

Mr. E. M. Williams has been appointed to the Board of SAGITTAIR as deputy managing director.

★

Mr. J. A. Hooper has been appointed a director of UNITED BRITISH SECURITIES TRUST.

New survey of Greater London transport

Financial Times Reporter

A NEW Greater London Transportation Survey is to be held later this year and in 1972, almost a decade after the original survey. The object is to *produce* and up-to-date and detailed picture of movements within and around Greater London.

The results will be used to check previous forecasts of traffic patterns, based on the 1962 survey, and to influence the future implementation and priorities of the GLC's transportation policies.

Interviewing, which will begin in September, will cover about one in 40 households—or some 80,000 households and *200,000* persons—7,000 hotels and guest houses, and 8,000 goods vehicles.

The questions will include details of every journey made the previous day, with, in the case of household and hotel occupants, certain background information—such as occupation, income range, and car ownership—so as to relate travel patterns to the circumstances of the people making them.

Because of recent public sensivity towards census questions, the organisers of the London Movement Survey—a company specially formed for the operation by the GLC and two firms of consultants—are to make clear that the interviews are voluntary and that special efforts will be taken to ensure the confidentiality of the answers.

So as to include people travelling into Greater London, roadside interviews will be sought from a 20-25 per cent. sample of vehicle drivers using certain roads running into the area. Rail travellers will be covered by a separate survey planned by British Rail, while London Transport is considering holding a similar survey of Underground users.

Results of the survey, which will cost about £475,000, are expected to become available towards the end of 1972.

£83 Atlantic air fare hopes

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THERE ARE now stronger hopes in the air transport industry that the North Atlantic airlines, who are in Montreal hammering out a new fares structure for the route, will eventually agree on a $200 (about £83) "Advanced Purchase Excursion" (Apex) fare.

The conference, which has been in session now for over three weeks, has been and still is the toughest that many experienced fares negotiators in the International Air Transport Association can remember.

From the limited amount of information *coming* out of the talks it seems clear that considerable progress has been made towards including the cheaper "Apex" fare in a broad new "package" of Atlantic fares.

There is still a long way to go, however, with many details of the prospective "package" still to be worked out—such as the conditions that will be attached to the "Apex" fare. These include how far in advance it will have to be booked and the question of *refundability* in *the* event of cancellation.

It is thought likely that the talks will continue for about another week. Earlier fears of a possible "open rate"—or "free for all" situation—arising from a walk-out by some airlines if they *did* not get their own way seem to have receded, although even now such a possibility cannot be entirely dismissed.

Other innovations

It is hoped that any eventual fares "package" emerging from the talks will include other innovations. One of these under discussion has been a special "convention fare," that would be available to people on both sides of the Atlantic wanting to fly to attend specific conventions.

The introduction of "senior citizen" fares, corresponding in price to the "youth fares" *already* on *offer*, has also been under discussion, as have special "group inclusive tour" and "affinity group" fares—so far with no agreements reached.

What is apparently pushing the airlines—some of them *reluctantly*—towards *the* new *lower* fares is the knowledge that if they do not agree, the biggest airlines, such as BOAC, Pan American, Trans World and Air Canada, would be capable and ready to go it alone—although they do not want to be responsible for breaking up the conference if it can possibly be avoided.

The view that the overall system under which the air transport industry operates needs changing was expressed in *London* yesterday by Mr. Eric Hanks, managing director of Clarkair International, the air-broking concern.

Cut-price tickets

He told a meeting of overseas managers at Clarkair's City offices that penalising illegal traffickers in cut-price air tickets was not enough. It was *tackling* the problem at the wrong end and at the cost of antagonising many people who saw nothing wrong in having cheap air travel offered to them.

Mr. Hanks said the authorities were encouraging a system which lent itself to the maintenance of artificially high prices, which in turn gave rise to people "bending" the laws covering the sale of air tickets, especially for charter flights.

"The Governments have got to look broadly at restrictive legislation, and when they initial IATA *resolutions, they must begin to* look rather more at the real public interest," he said. If airlines are encouraged to bring in more common low-level fares through greater efficiency, they can better fill their spare capacity—and the wildcat price cutters would soon go out of business."

While sympathising with those members of the public who bought the cut-price tickets, it would be "healthier for everyone" the sooner the rackets were halted.

For while the public might easily be persuaded to part with their money for the promise of a cheap air flight, there could be no guarantee that those people would not be turned off aeroplanes by Department of Trade and Industry investigators and left stranded, or lose their money for other, less obvious, reasons.

FT acquires Oil and Petroleum Year Book

FT BUSINESS Publications, the Pearson Longman business periodicals publishing subsidiary, has acquired the Oil and Petroleum Year Book and the Mining Year Book from Mr. Walter R. Skinner and his family for cash—*as a Class Three transaction* under Stock Exchange requirements.

The acquisition was effected through the purchase by FT Business Publications of the whole of the issued capital of Oil and Petroleum Year Book Limited. The Skinner family were advised in negotiations by Colgrave and Co.

With the exception of Mr. Skinner, the directors of Oil and Petroleum Year Book and its wholly-owned subsidiary Mining Year Book are resigning.

The new directors, in addition to Mr. Skinner, will be Sir Gordon Newton, Editor and a director of Financial Times; Mr. Andrew Ross, Managing Director of FT Business Publications; and Mr. Christopher Tugendhat, MP for the Cities of London and Westminster and a consultant to the Financial Times.

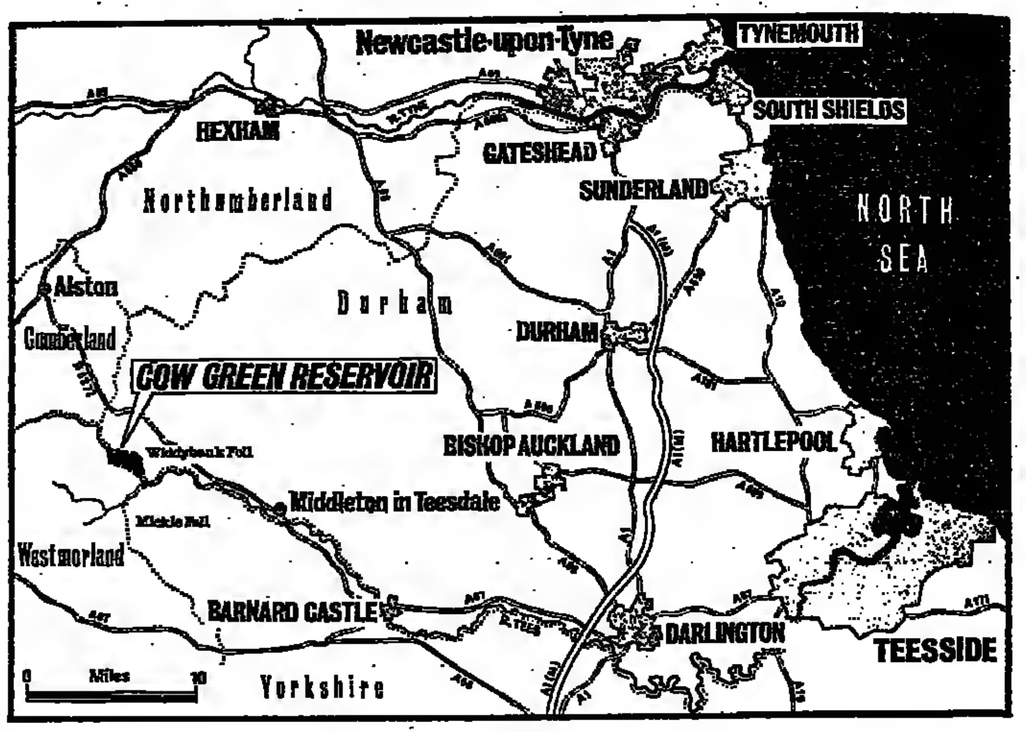
Mr. Skinner will additionally act as consultant to FT Business Publications.

"Both year books have the unique world-wide reputation of being the prime reference books in their respective industries and it is of interest that both of them were associated with the Financial Times in the early years of this century," a spokesman said.

A Class Three transaction means that the assets or profits of Oil and Petroleum Year Book, and its wholly-owned subsidiary, Mining Year Book, are 5 per cent or less of the assets or profits of FT Business Publications.

COW GREEN RESERVOIR

This special page has been written by Andy McElroy to coincide with to-day's official opening of the reservoir.



Meeting Teesside's needs

Reservoirs, at first sight, appear to be no more than waterproof holes in the ground, and they lack the spectacle and obvious technical content of other construction achievements such as a major bridge or motorway.

But this is deceptive, and the history of the design and construction of Cow Green reservoir shows the great expertise needed in successfully completing a project like this. It also demonstrates quite convincingly that when the need arises an experienced and astute consulting engineer can make a success of even the most unpromising site.

Ten years ago, on the existing evidence, using the Cow Green site as a reservoir seemed about as sensible as, in the old Highland saying, "Baling the sea with a creel." And for more or less the same reasons. The history of the site goes back to the 1930s, when it was first perfunctorily investigated for the construction of a pumped storage hydro-electric project. This idea was abandoned before any worthwbile information bad been gathered.

During the 1950s, increasing demand for water in the Tees valley area led the then Tees Valley Water Board (now the Tees Valley and Cleveland Water Board) to commission a further investigation of the site. Because of sbortage of time, this investigation was less thorougb than would have been the case in other circumstances. It showed that there was a danger of leakage of water from the area, through limestone and old mine workings, into the adjacent Harwood Beck Valley. Geological investigation showed that there was a water-retaining whin sill, and that if the level of the water was kept below the top of the sill there would be no leakage problem.

But, on the evidence available then, and because of other considerations, it was decided that it would be unjustifiable to go on with the site. At the time, a reservoir was proposed and built on the alternative Balderhead site.

Eight years later, bowever, increasing demand for water caused the board to look again at Cow Green. This time there was less urgency about the investigation, and the consulting engineers, Sandeman Kennard and Partners, were able to look at all the factors affecting the suitability of the site.

Weather conditions

Among these factors was the level of the existing water table in the area, and a detailed study showed that this would be high enough even under unfavourable weather conditions to prevent leakage. During the preliminary work, the consulting engineers drilled 6,240 feet of 3 inch diameter boreboles and 715 feet of large diameter boreboles to take water level recorders. All the holes were instrumented for continuous monitoring of site conditions.

Although opposition to the flooding of the site was strong, from naturalists and preservationists, the geological evidence presented at the inquiry swung the argument in favour of proceeding with a reservoir.

Accordingly, contracts were placed with Sandeman Kennard as consulting engineers and with Mitchell Construction for building the dam.

Dam design was dictated largely by the geological conditions, shortage of time, and the weather prevailing in the area.

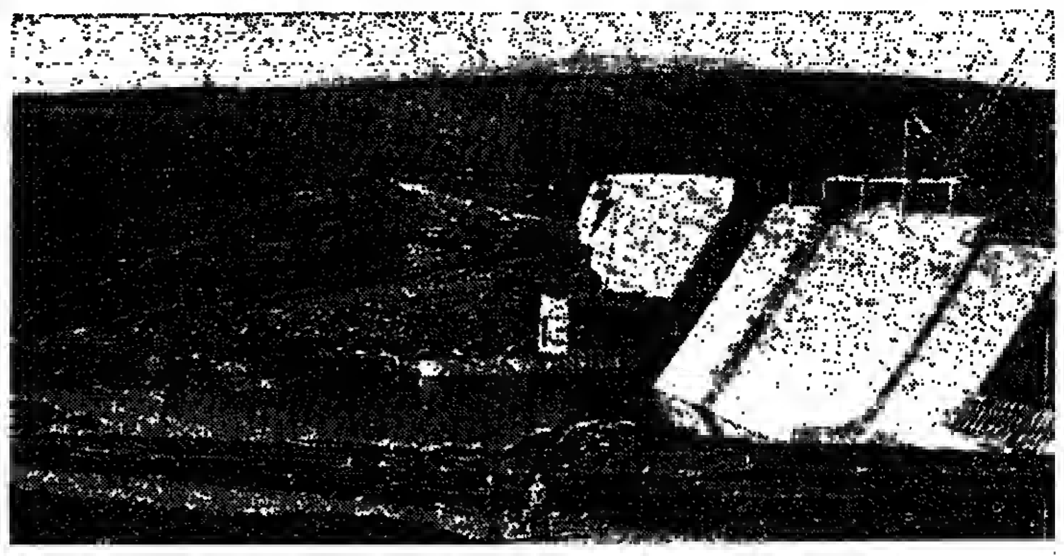
At the west aida of the proposed dam line the foundation was a clay bed, and was therefore unsuitable for a concrete wall. Thus the consultants were faced with the need for an earth bank in this area. However, since there were only three years in which to complete the project, it was decided to use a concrete dam for as much of the length as possible, since it is, of course, must easier to place concrete than clay in bad weather. But this necessity carried with it an incidental advantage, since the spill weir could be incorporated in the concrete part of the dam rather than being designed and built as a separate structure

Before construction of the earth dam started, drainage channels were cut to dry out the clay bed. This allowed the clay to consolidate, forming a stable base for this part of the structure.

All the materials for the earth structure, boulder clay, alluvial gravel and quarried whinstone were obtained by Mitcbell from the reservoir area, a factor that considerably reduced the disfiguration of the surrounding countryside.

Earth dam

Overall, the dam rises to a height of 82 feet. On the earth dam alone, this meant tnat the contractor was faced with a total excavation of almost 1m. cubic yards of material of one kind or another, and the cutting of 57,000 feet of sand drains. On the concrete section, a total of 65,000 cubic yards of excavation was required, divided almost evenly between soft earth and rock.



Design of the dam at Cow Green is such that the concrete structure extends for a short way beyond the spillweir as shown in the photograph, and is then taken up by the earth embankment. This type of construction was dictated by the peculiar ground conditions.

The timing of the contract left little leeway for the contractor, since most of the work had to be completed in three summer seasons running, because of the climate, only from May to November.

As in several of its other contracts, Mitcbell showed that, wben it came to placing concrete, It could break records. In fact, on this contract, calculations showed that it would be necessary to place concrete at the rate of 2,000 cubic yards per week, and to meet this requirement the company installed an electronically controlled SGME split-drum mixer with a rated output of 60 cubic yards per hour. This equipment, and all the associated works, was placed on the reservoir site, not the ideal position from the contractor's point of view, but one that ensured that any defacement of the countryside would be hidden when the reservoir filled.

Because of tbe need to ensure stability between the concrete and earth dams, the former was designed witb a mating face sloping in two directions, so that pressure generated by the earth section gave a vertical component helping to stabilise this potentially weak area. Concrete, 90,000 cubic yards in all including auxiliary works, was placed in 5-foot lifts, so as to minimise the generation of beat and consequent risk of damage.

Despite the inherent difficulties of the site, this is a contract that went witbout a major hitch, and almost exactly to the timetable that the contractors had set themselves. Mucb of the credit for this achievement must go to Sandeman Kennard, for without the extremely detailed and thorougb site investigation it would have been easy to miss a snag that would bave caused extensive delays to construction, a circumstance that crops up more often than is realised.

Benefits to the community at large from this contract fall under two main headings: increased water supply and increased knowledge of dam and reservoir construction and design.

Sorely needed

Capacity of the reservoir is 9,000m. gallons, sorely needed for the expanding needs of industry on Teesside, and will increase the resources of the Tees Valley and Cleveland Water Board by 35m. gallons per day, to a total of 100m. gallons per day.

In addition, Sandeman Kennard has fully instrumented the dam, so that there will be a continuing flow of information on the behaviour of the structure under different operational conditions. This, according to Mr. Michael Kennard, will contrihute substantially to the body of information available on dam design, which will be applied in future work.

The importance of this should not be underrated. Britain is, despite the lavishness of the heavens at all times of the year, facing an increasing sbortage of water. It is a shortage that must be met, but wbich is often opposed by local interests because of the loss of valuable land.

Cow Green has shown that these conflicting requirements can be met by scientific investigation and clever design, while its lessons will go on proviog valuable for many years to come.

Serious attempt at conservation

If one took everything at face value it would be easy to assume, from the amount of invective thrown about, that the wbole aim of contractors and the various local and government authorities—coupled with the demon big businessmen—was to despoil as much of the countryside in as sbort a time as possible.

Admittedly there are cases where some of the most pleasant parts of Britain have been disfigured by civil engineering, but Cow Green has shown what can be done by an enlightened approach by all concerned.

Primarily, the credit for this must go to the Tees Valley and Cleveland Water Board, whlcb resurrected the unpromising Cow Green site rather than using one of the alternatives. The site of the reservoir, althougb of great botanical interest and scenic beauty, was used solely for grazing sheep. No dispossession of residents was involved, and no farmer was losing valuable agricultural land.

In drawing up a plan for the reservoir, the board stipulated initially tbat the waterfalls of Cauldron Snout and High Force, downstream from the dam, sbould be preserved. This would maintain the attraction of the area for recreation, and as part of tbis approach the contractors were asked to interfere as little as possible with the land around the reservoir.

Botanists were, in the initial inquiry stages, concerned about the effect of the works on the flora, since the area is the bahitat of rare plants that bave survived since the last Ice Age, 15 to 20 thousand years ago.

Nobody is ever completely satisfied, but it is fair to say that the reservoir, now that it is completed, enhances rather than diminishes the attractiveness of the area, and that the interests of botanists and naturalists bave been substantially protected.

Extra cost

This has not been done without extra cost and extra difficulty for all concerned. As an example, Mitchell Construction, the contractor, placed almost all its plant on the reservoir bed, while the access road, constructed by Brims of Newcastle, again is concealed by reservoir water. So the contractors have effectively washed away their sins.

Another unusual aspect of the scheme is that the Board appointed, at its own expense, a Site Researcb Officer, wbo acted as a liaison man between scientific interests and the consultants and contractors, to ensure that scientific value of the area was preserved, while work was impeded as little as possible. The effectiveness of this measure can be gauged by the fact that once the work had started there was little conflict, and tbat any differences of opinion never grew to serious proportions.

One of the chief reasons for the reservoir is to satisfy the demand for water by the ICI factories at Billingham and Wilton, and this company, which already spends an enormous amount of money in both researcb and application of conservation policies, promised at an early stage in the work to contribute £100,000 over a period of ten years to finance scientific research in the area. Cynics have said that this is merely a sop to divert criticism, but if all the scientific Cerberuses were in receipt of sops of this size research would be much better funded than at preseot.

Positive aspect

Illustrating the prevention of damage to the environment is one aspect of this work, but the positive values must also be considered. That the area needs water is undisputed, as is the effectiveness of the reservoir in providing it.

But there is a positive aspect. Beauty may be in the eye of the beholder, but there is much to be said for the addition of a lake, artificial or not, to the area. Like Loch Sloy, created in the Western Highlands many years ago, this reservoir has greatly improved the attractiveness of the scenery for many people.

On top of this, with an area of 770 acres, Cow Green Reservoir can provide fishing and sailing for many of the residents of the industrial north-east, whicb badly needs such facilities.

Obviously, there will be a change io the ecological pattern of the district. This is inevitable. Any alteration of the environment, even cutting down a single tree, is bound to cause some alteration, no matter how minor. But despite the general assumption that all changes must be for the worse, there will be a positive advantage for naturalists in that the creation of a lake in this area will attract different species of water fowl, as has happened hefore in similar circumstances.

Any development has its critics, and the incidence of such criticism is bound to increase as Britain tries to satisfy the conflicting demands of a growing population and a shrinking countryside. During the next five years there will be many attempts to evalnate the advantages and drawbacks of any major public works, in terms of overall value to the community.

Cow Green has shown how reasonable care and preliminary thought can reconcile the two sides of the nation's needs. In many ways it will be a blueprint for schemes of the same kind undertaken in the years to come.

COALITE AND CHEMICAL PRODUCTS LIMITED

A report of the fifty-fourth Annual General Meeting held at the Dorchester Hotel, Park Lane, London, W.1, on Wednesday, 21st July 1971.

Statement by the Chairman

Mr. Francis L. Waring

Directorate

Having succeeded Commander Colin Buist as Chairman of your Company at the end of 1970 it is my privilege to refer to the events to which the accompanying Report and Accounts relate.

Commander Buist served as a director for nearly 42 years. He brought rare and special qualities to the Board Room but it was not until he became Chairman in April 1949 that he was able to use those qualities to the full. His leadership as Chairman was such that he gained the respect, loyalty and affection not only of his board room colleagues but of every employee of the company. It will be my endeavour to ensure that the resultant team spirit, of which we are very proud, is fully maintained. It is good to know that the services of the Commander continue to be available in a consultative capacity. It will give me considerable personal pleasure at the forthcoming Annual General Meeting to propose that Colin Buist becomes the first President of the Coalite Group. I know that this will be received with acclamation.

We are fortunate that The Rt. Hon. The Viscount Ward of Witley, with his great experience of business and public affairs, accepted the invitation to become Deputy Chairman. His shrewd judgement and wise counsel will be invaluable in that capacity.

Now I must draw your attention to the appointment of Mr. A. Goodsell and Mr. N. Flack to be Joint Managing Directors of Coalite and Chemical Products and also of the operating subsidiaries. Their experience and complete knowledge of our business will, I am confident, ensure the continued prosperity of your company.

General Review

It is disappointing and frustrating to have to record a reduction in profit before taxation when another modest record had been expected. This is due to a variety of reasons beyond our control.

The year started badly. The labour difficulty to which the previous Chairman referred in his Statement last year caused a marked reduction in output during the first half of April, but I am glad to say that apart from one or two minor incidents there has been no recurrence of what, to us, was an unusual happening.

In the autumn, labour difficulty in the South Yorkshire Coalfield led to a shortage of coal and to a reduction of output at Askern and Grimethorpe. For the same reason the starting up of the first four batteries of retorts of the Grimethorpe extension was delayed. The financial effect of the reduced output was aggravated by the need to bring coals from more distant coalfields.

During the summer of 1970 the demand for solid smokeless fuels was high and the volume of gas coke available was decreasing. The unfortunate delay in building new plant to meet the situation was causing much anxiety about winter supplies. To avoid a crisis the Government, supported by producers and distributors alike, introduced emergency measures.

Local Authorities were allowed, on request, to lift the ban on the sale and burning of smoky fuel in certain clean air zones. The introduction of new clean air zones was deferred and the ban on the import of solid smokeless fuels was removed. Subsidised by the Government some Gas Works due to close were retained in operation during the winter. The effect of all these measures, together with one of the mildest winters this century, resulted by the middle of February in a surplus of solid smokeless fuel. Whilst the distributors cleared stocks built up to meet the expected crisis, we had to put quantities of Coalite into ground stock at each works.

Encouraged by the recent pricing policy, bituminous coal has been sold and burned in clean air zones to a greater extent than originally expected. On two occasions within a short period of time when the prices of carbonisation and/or industrial coals were increased, the prices of domestic coals were left unchanged with a substantial widening of the price gap between smoky and non-smoky domestic solid fuel. This led to the sale and burning of bituminous coal in clean air zones even where the ban on such burning had not been lifted.

Changes in Taxation

Based on a bird in the hand being better than two in the bush, we were disappointed by the removal of Investment Grants in the October 1970 special budget. This was a matter of concern in relation to the immediate effect on the capital cost of the new Rossington Works. In saying this, however, it is only reasonable to add that provided there are adequate profits to absorb the alternative Capital Allowances and also provided that the reductions in Corporation Tax on profits are maintained the overall effect of the new arrangement should not be less favourable over a period of time.

The reduction of 50% in the effective cost of S.E.T. in July will, in our case, be approximately equal to the substantial increase in employers National Insurance Contributions commencing in September 1971. There will, of course, be a modest cash flow advantage in that those S.E.T. payments which are repaid at quarterly intervals will also be reduced by 50%, reducing by half this interest-free loan to the Government.

Finance

Including interest receivable, profit before tax totalled £4,611,898 compared with £4,801,983 for the previous financial year. Interest receivable at £185,076 was again unusually high due to short-term investment of funds at relatively high rates pending their employment on capital expansion.

Including £610,171 deferred by capital allowances and after a credit of £215,240 from change in rate of tax, taxation totalled £1,611,207 compared with £2,134,597 for the previous accounting period. Nett profit after taxation totalled £3,000,691 compared with £2,667,366. As is to be expected depreciation continues to increase and totalled £1,071,489 against £897,853. This, together with the nett profit provided a cash flow of £4,072,180 compared with £3,565,219.

The increase in the value of manufactured stocks (Coalite, oils and chemicals) is mainly due to the need to put quantities of Coalite into ground stock during the later weeks of the period under review. The increase in value of manufacturing and general items was chiefly accounted for by the unusually high stocks of coal that were accumulated as a safeguard against possible difficulties in the Mining and Railway Industries and which are now being reduced.

Dividend

A final dividend of 11.5% is recommended making a total of 15% compared with 14% last year. When considering the amount of the increase your Board has been influenced by the severe inflationary pressure with which the country is currently having to contend and by the temporary need to conserve the Group's resources.

At the end of the financial year outstanding capital commitments totalled £9,102,000 and this expenditure will, in due course, improve the revenue earning capacity of the Group.

We have considered the desirability of making a more equal division between the interim and final dividends. Provided no unforeseen circumstances arise it is proposed that the next interim dividend should represent a greater proportion of the total distribution for the year. This must not be taken as an indication that the total dividend will be increased as that will be dependent on the position at the time.

Expansion

Expenditure on capital additions during the year totalled £5,800,000. This is after the deduction of Incentive Grants and is easily an all time record. The amount of capital expenditure shown as authorised and outstanding at 31st March this year provided for the completion of the major extension at Grimethorpe, for the completion of the new Works at Rossington and for most of the further additions and extensions required at the Central Refinery at Bolsover to permit the treatment of the additional liquid crudes from Rossington. The figure also includes what it is hoped will be an adequate sum to cover inflationary pressures. It is estimated that the delay in the building of the new Works at Rossington due to the need to await the outcome of the Public Inquiry increased the cost by about £900,000 when compared with the original estimate. This is an indication of the seriousness of the inflation with which the country is currently having to contend.

For financing outstanding capital commitments we have arranged for bank borrowing to augment the money that will be forthcoming from the normal cash flow. When the new Works at Rossington has been completed we shall consider whether any fresh issue of capital is required and whether the issued capital should be increased by capitalising part of the Company's reserves to bring it more into line with that actually employed.

The major extension to the Works at Grimethorpe was completed on time. The first six batteries of retorts were commissioned in January and five more by the end of the financial year. The twelfth and last battery is now in operation. As preparation of the site was not started until the last week in February 1970, this is a very good performance. Shareholders were informed about the problems relative to Rossington in a special statement at the time of the last Annual General Meeting in July 1970. As then forecast preparation of the site started before the end of September. Progress has been exceptional and it is confidently expected that half of the batteries of retorts will be ready for commissioning during the first half of December this year, the other ten to follow at intervals during the first three months of 1972.

Siebens Oil and Gas (UK) Limited

Last autumn your Company went into partnership with the Guardian Royal Exchange Assurance Limited, the Phoenix Assurance Limited and M.I.T. Securities Limited (a member of the Hambros Group of Companies) in acquiring 60% of the Ordinary Share Capital of a newly formed Company called Siebens Oil & Gas (UK) Limited. The remaining 40% is owned by a Canadian Corporation, Siebens Oil & Gas Limited of Calgary, Alberta, who are specialists in seismic surveys and oil exploration.

Viscount Ward was appointed a Director of the new Company to represent our interests.

The function of Siebens Oil & Gas (UK) Limited, is to explore for oil and gas off the coast of the United Kingdom. Since November 1970 large areas of the North Sea and the Celtic Sea have been surveyed and much exclusive data obtained. Based on these seismic surveys applications for exploration licences are being applied for.

Costs and Prices

Improved efficiency and the spread of overheads resulting from expansion have allowed us to absorb many cost increases in recent times. It is, however, impossible to cover increases in the cost of coal for carbonisation in this way. During the period under review we had to contend with what can only be described as a severe and unprecedented increase in the cost of coal. On 1st September the prices of carbonisation coals, representing approximately 70% of our carbonising blends, were increased by 16% across the board. Two months later on 1st November the prices of industrial coals, which make up the balance of the carbonising blends, were increased by a similar amount. We also had to contend with local changes in seams and classifications which additionally increased the cost of the blends. These various changes necessitated two separate compensating increases in Coalite prices.

It had been hoped that there would be a reasonable period of subsequent stability but unfortunately coal prices have already been increased again in the new financial year. On 13th April carbonising coal prices increased by 11% and industrial by 6%. The consequential price increases of smokeless fuels other than Coalite was delayed until 1st July but we reached the conclusion that, in our case, the best policy was to increase prices by the lowest amount on the earliest date and our change became effective on 1st May.

By 1st July when repricing had been completed Coalite had fully retained its competitive position within the group of domestic solid smokeless fuels.

Coalite

We have emerged from a period during which trading conditions were largely controlled by artificial factors and an unusually mild winter. The ban on the burning of coal in clean air zones was restored on 30th April and it is expected that the introduction of new clean air zones will now proceed. A substantial tonnage of domestic gas coke is scheduled to be taken off the market almost immediately.

The need to put quantities of Coalite into ground stock substantially diminished during the last three weeks of April and by the beginning of May full production was being sold.

When the new Works at Rossington is in full operation we will be making domestic Coalite at the rate of two million tons per annum, an increase of nearly 50% more than before the Grimethorpe extension was commenced. The tonnage that had to be put into ground stock will be extremely valuable next autumn for expanding our market in preparation for the time when the Rossington Works is started up towards the end of the year.

Oils and Chemicals

Apart from certain specialised chemicals for the manufacture of herbicides, the demand for our oils and chemicals is extremely good and in many cases exceeds the supply. Assisted by the substantial increases in the prices of petroleum based products during recent months the oils section has developed bullish tendencies. We do not expect any material difficulty in disposing of the increasing volume that will arise from the expansion at Grimethorpe and the new Works at Rossington.

The demand for the specialised chemicals is, with one exception, a problem of seasonal tendencies temporarily retarding the anticipated growth pattern. The exception is Trichlorophenol the intermediate we supply for use in the manufacture of the selective weed killer 2:4:5-T. This weed killer has been suspect on toxicity grounds and the subject of investigation in both the United States and the United Kingdom. The consequent adverse publicity resulted in a considerable reduction in demand. There are now clear indications that much of the adverse publicity could not be justified and that, subject to the official toxicity limit, which we can meet, the demand should be gradually restored. The first section of the plant for the manufacture of Ortho Phenyl Phenol based on a Patent licensed from I.C.I. was commissioned in October 1970. The second stage, which trebles the capacity, is complete and is being commissioned. This will cover our own captive requirements, other demands in the U.K. and what we estimate to be a substantial export potential.

Development

In order to augment our own substantial research efforts and to ensure a flow of possible projects for diversification and expansion, close and regular contact at both commercial and technical level is maintained with a number of foreign and U.K. companies.

Employees

You will, I know, wish to join with the other directors and myself in sending a message of thanks and appreciation to all our employees for their efforts during a year that was abnormal in many ways.

The Future

We have a virile organisation, enjoy a fine measure of goodwill and can face the problems of the future with confidence and optimism.

Rules plan for share incentive schemes

By Michael Blanden

SUGGESTED ground rules for establishment of share incentive schemes for company executives have been set out by one of the major groups of institutional shareholders, the National Association of Pension Funds. After a special committee meeting on Monday the association has put forward its ideas on a code of conduct to cover one type of incentive scheme which has gained increasing prominence recently.

There has been increasing institutional concern about the rapid growth of the number of companies installing share purchase schemes to reward their executives. This concern has recently appeared in opposition by the NAPF to at least two particular schemes.

The proposals so far put forward by the NAPF's Investment Protection Committee cover only one type of scheme, in which shares are issued on a partly paid basis to executive participants. The next meeting of the special committee is expected a week to-day, and is to consider other issues, in particular the schemes which incorporate interest-free loans from the company to finance executive share purchases.

The NAPF's aim is not to hinder the development of schemes—it has made it clear that it favours schemes which offer a genuine incentive to executives—but to try to prevent the use of the technique to give a free gift to management. Its principles are very much in line with what has already been good accepted practice in the City, and it is hoped simply that companies and their advisers, particularly merchant banks, will recognise their validity and, if they need to move outside the suggested framework, will consult the institutional investors in advance.

The principles include limits on the number of shares which should be issued under an incentive scheme, in relation both to the company's capital and the individual participant's holdings. It stresses that part-time directors and employees should not normally participate. It emphasises that partly paid shares should have less than full equity rights—in particular, no votes, rights and scrip issues only in similarly restricted shares, and no dividends, or at least dividends limited in relation to the amount of the subscription price paid up.

It suggests a limit on the length of time participants must hold shares. And it argues that participants should not have complete indemnity against possible loss and should not be in a position to make a "purely fortuitous profit"

NEW MOTOR HOTEL FOR MARKS TEY

A 106-bedroom motor hotel is under construction at the new Prince of Wales roundabout at Marks Tey, Essex. To be known as the Marks Tey Motor Hotel, it will be operated by Revilo Inns and is scheduled to open in the summer of 1972.

ACL bid to rejoin conferences

BY JAMES McDONALD, SHIPPING CORRESPONDENT

ATLANTIC CONTAINER LINE, the European consortium of shipping lines operating containerships across the Atlantic, and of which Cunard is the British member, has announced that it will re-apply for membership of the Continental and French Westbound shipping conferences—rate agreement bodies on the North Atlantic.

ACL resigned from these conferences last year, during the height of the Atlantic container freight rate "war," because of doubts about the effectiveness of the conference system to stabilise freight rates. Since then, and recently, the major transatlantic carriers—European and U.S. operators—have agreed in principle to a pooling agreement on trade which gives promise of some stability on the Atlantic.

When formally completed this agreement will be filed for approval by the U.S. Federal Maritime Commission. It is hoped that the FMC will approve the pact but there remains in the background the U.S. Justice Department, which could rule against such an agreement on a monopoly argument.

Mr. P. E. Bates, chairman of Atlantic Container Line Services, commenting on the decision to re-apply for membership of the conferences, said that at the time ACL withdrew it hoped the action would lead eventually to a "revitalised conference system."

This new system, ACL believed, should give customers the advantages of stable freight rates and the assurance that regular shipping services would be maintained.

"During the year which has passed since ACL's withdrawal the major transatlantic carriers have sought ways and means of collectively restoring stability." The first step was the recent tentative pooling of the cargo agreement.

"ACL was a party to this agreement and "now feels that it can make a further positive contribution to this promise of stability on the North Atlantic by rejoining the conference system, whose prime purpose is to bring exporters and importers the benefit of good trading conditions and freight rates by providing regular shipping services."

Atlantic Container Line said it also hoped to interest the two conferences in the merits of its own tariff system, whose rate structure is based on the Standard International Trade Classification (SITC). In addition, ACL is trying to link the Brussels Tariff Nomenclature (BTN) system with its SITC system.

Mr. Bates said ACL is also prepared to assist in the formation of a westbound Baltic conference. He emphasised that ACL's re-application was consistent with the company's policy of supporting the conference system.

"While unrealistically low freight rates may bring short-term advantages to shippers (customers), the long-term consequences may imperil regularity of services or force rates to high levels to recompense operators for unprofitability brought about by rate-cutting."

Member lines of ACL, apart from Cunard, are: Compagnie Generale Transatlantique; Holland-America Line; Swedish American Line; Transatlantic Steamship Company (Sweden); and Walleniusrederierna (Sweden).

Panocean speeds parcel tanker programme

By James McDonald

PANOCEAN Shipping and Terminals—jointly owned by the P & O and Ocean Steam groups—is accelerating its programme to enter the "parcel" chemicals and oil products industry.

It has purchased, for just over £1m., a 20,680 d.w. tons parcel tanker, the Anco Stripe, from Anco Tanker Services A/S. The ship will supplement the company's Far Eastern services later this year after a full refit.

Built in 1958 and converted for the "parcel" tanker trade in 1964, the ship will join this year in service two other ship conversions bought earlier by Panocean—the 13,700-tons Post Runner and the 24,000-tons Post Rover.

These will be followed by eight 24,000-ton custom-built parcel tankers being built in Norway for delivery between the end of 1972 and early 1975, costing between £36m. and £40m. The organisation aims to be "one of the major companies carrying bulk liquids, edible oils and lubricants by the mid-1970s."

Facsimile transmission to police cars

THE Home Office and Bristol Constabulary are co-operating in an experiment to explore the operational value of transmitting written and illustrated documents from force headquarters to police vehicles using the force's mobile VHF radio system. Ten police vehicles have been fitted with facsimile receivers connected to the normal mobile radio installations.

The system is capable of transmitting documents of unlimited length but restricted to a width of 4.25 inches, such as sketches, maps, typescript, manuscript and photographs.

These are reproduced in identical size within the vehicle on a continuous roll of electrolytic-type paper at an output rate of about one minute for every four inches in message length.

Speech transmissions are unimpeded by the facsimile system and either facsimile or speech may be sent singly or simultaneously over the same radio transmitter. The equipment has been developed by Muirhead.

SE Council rebuke for Edger

By Nicholas Leslie

EDGER Investments, the property investment and development group headed by Sir Gerald Glover, has been publicly rebuked by the Council of the London Stock Exchange for failing to give early notification of the sale of its Knightsbridge Green property.

In a statement yesterday the council said that following inquiries it found that the interval between the exchange of contracts and Edger's announcement of the deal "was in clear breach of the company's General Undertaking to the Stock Exchange to notify without delay particulars of material realisation of assets."

Contracts for the sale of Knightsbridge Green, for £5.55m. were exchanged on June 24, but it was not until June 30, when Edger's report and accounts for the year to March, 1971, were sent out to shareholders, that an announcement of the sale was made.

Bid rejected

Moreover, reference to the date that contracts were exchanged was not made until July 2, when Edger announced to the Press its rejection of a proposed £8m. bid for the company by Mr. Gabriel Harrison's Amalgamated Investment and Property.

The Council states that it has sent a letter to Sir Gerald Glover drawing his attention to the omission, "the Council having been unable to accept the view that it was preferable to delay the announcement until publication of the annual report and accounts."

The relevant section of the Stock Exchange's Admission of Securities to Quotation by which Edger was found in breach of its General Undertaking states broadly, that notification should be given by a property company of any sale which is worth more than 20 per cent. of the latest total book value of properties or published valuation, before deducting mortgages.

Fisher-Bendix strike meeting

By Alex Hendry

A MASS MEETING of Fisher-Bendix strikers will be held in Liverpool to-day to discuss the company's refusal to reinstate redundant workers.

About 800 workers are on strike and have been officially backed by the Amalgamated Union of Engineering Workers and the Transport and General Workers' Union.

National officials of the two unions met Fisher-Bendix management in London on Monday and asked that those redundant should be reinstated, and that notices of redundancy to take effect next October should be withdrawn.

Just over 500 workers are affected. More than 300 of them were paid off last Friday. The company refused to withdraw the notices that took effect last Friday, but offered to reconsider the proposed October lay-offs.

Mr. Tom Crispin, TGWU officer, said yesterday: "The company told us that it was losing £35 on every washing machine produced in this country.

"We were also told that the labour cost content of each machine was only £10; therefore going to an area of cheap labour would not benefit the company, which denied that it was to continue production abroad."

A spokesman for Fisher-Bendix said later that the company would continue to supply domestic washing machines but these would be manufactured abroad. The factory at Kirkby, Liverpool, makes hot water radiators and electric storage heaters. Production is at a standstill because of the strike.

Pru's agents lift ban on new business

By Roy Rogers

THE 11,000 members of the National Union of Insurance Workers employed by Prudential Assurance have lifted their ban on accepting new business following the reopening of negotiations on their claim for a £5 a week pay rise.

Pay talks have resumed and a new offer is to be considered by the NUIW executive shortly. However, this is unlikely to show much of an improvement on the previous "final" offer of £2 a week linked to the eventual elimination of 750 jobs.

The NUIW is not in a very strong bargaining position for its ban on new work didn't appear to have much effect on the Prudential and selective strike action, which was recommended by the union's annual conference in May, would be difficult to carry out effectively because insurance agents tend to work in isolation from each other.

Smelter site strike may end to-day

BY OUR LABOUR STAFF

SOME 396 electrical contractors employed by N. G. Bailey on Alcan's £65m. Lynemouth, Northumberland, aluminium smelter site may decide to end their week-long unofficial strike when they meet this morning.

Yesterday the electrical contracting industry's Joint Industry Board sent letters to the strikers urging them to return and allow their claim for pay parity with other workers on the site to be taken through procedure.

The JIB offered to send a regional disputes committee to the site within 48 hours of a return to work.

Meanwhile, the 446 tradesmen employed on the site by Foster Wheeler-John Brown Boilers and who were sent home on July 1 for imposing sanctions to support their claim for a 20 per cent. increase in bonus payments, yesterday rejected an offer of a 10 per cent. increase linked to the ending of afternoon tea breaks.

Yesterday's talks followed a return to work to allow the claim to be taken from procedure. The dispute will now go to a conference to be held in London in the near future.

Shopworkers in move for 40-hour week

UNIONS representing nearly 1m. workers in the retail trades are applying for a general 40-hour week. The Union of Shop, Distributive and Allied Workers has already applied to the Multiple Grocery Joint Committee, the Retail Food Wages Council and the Retail Drapery, Outfitting and Footwear Trades Wages Council.

A spokesman for USDAW said yesterday that a number of the big chain stores had a 40-hour week, but in others there was a 42-hour week. The unions wanted to bring them all into line, particularly because of part-time workers, who would be on a higher rate where their hourly rate was calculated by the weekly rate divided by 40 instead of 42.

Plans for manning UCS yards put to meeting

BY ANDREW HARGRAVE, SCOTTISH CORRESPONDENT

GLASGOW, July 21.

PLANS for "manning the yards" of Upper Clyde Shipbuilders if an attempt is made to close any of them were put before a joint meeting of Scottish TUC leaders, other full-time trade union officials, MPs and shop stewards here to-night.

The plans, which include the "maintenance of essential supplies" and in effect amount to the "work-in" pledged by the shop stewards last month were drawn up earlier to-day. They were put to the meeting by Mr. Joe Black, chairman of the Clyde Confederation of Shipbuilding and Engineering Unions.

It is holiday time at all the UCS yards but the provisional liquidator, Mr. Robert C. Smith, and the Government's four advisers, are hard at work to produce recommendations for "restructuring" shipbuilding on the Upper Clyde. Their recommendations are expected to reach Mr. John Davies, Secretary for Trade and Industry, in the next few days.

Mr. Smith has received authority from the High Court in Edinburgh to borrow from the Government (with the help of banks) over and above the £3m.-£4m. required to pay for essential materials and wages between June 14—the day when UCS applied for the liquidation order to be granted—and August 6.

The first yard to start up after the holidays will be Clydebank next Monday. The yard has all its four berths occupied in contrast to the Govan and Scotstoun yards, which were left with only one ship each on the berth following the suspension of work on three ships in early stages of construction.

UCS has orders for a further 13 ships, all bulk carriers, not yet started. Preparatory work has been suspended on all these ships.

NEW EFFORTS BY ASTMS TO HELP EX-ROLLS MEN

After a survey which showed some senior Rolls-Royce employees had been forced to become bus conductors and ice-cream salesmen, further efforts to help them are to be made by the Rolls-Royce branch of the Association of Scientific Technical and Managerial Staff.

Mr. Mick Walker, chief ASTMS negotiator at Rolls-Royce, said yesterday the branch committee was due to meet next week to consider the situation and to put pressure on MPs.

REDUNDANCIES AT HOBSON

About 70 workers are to be made redundant next week at the Wolverhampton aircraft components factory of H. M. Hobson. This will be the first batch of 200 notices being served by the company as part of a streamlining plan.

Trial in U.K. of Buttes slander action

THREE Appeal Court judges yesterday ruled that a slander action concerning two large American oil companies should be tried in England, and not the U.S.

In the action, Buttes Gas and Oil, of Oakland (Cal.) is seeking damages against Mr. Armand Hammer, president of Occidental Petroleum, of Los Angeles, and the company.

The companies are in dispute over drilling concessions in the Gulf.

Buttes claims that, at a London Press conference last October, Mr. Hammer accused it of using improper methods in dealings with the two Gulf states in which both companies are operating, and blackmail was involved.

The Court, overruling a decision of a High Court judge two months ago, gave leave for the writ in the action to be served in California upon Mr. Hammer and his company.

U.K. complaint on chemical dumping likely

THE BRITISH Embassy at The Hague may follow the example of the Irish Government in complaining to the Dutch Government about the proposal to dump waste chemicals off the west coast of Ireland.

The Dutch tanker Stell Maris is already on its way to the dumping site after the operation had been diverted from the North Sea following protests by Norway and Denmark.

Mr. Anthony Royle, Under-Secretary, Foreign and Commonwealth Office, told the Commons yesterday that the Embassy had been instructed to make representations forth with if the material is chlorified aliphatic hydrocarbonates, as it had been described.

The British Government deplored the dumping proposal on general environmental grounds, he said.

INTERIM STATEMENTS

CABLE TRUST LIMITED

(formerly Cable and Wireless (Holding) Limited)

Interim Statement (unaudited) showing Group earnings for the six months ended the 30th June, 1971, and Valuation of Investments at that date.

	1971	1970
	£	£
Group earnings before providing for taxation	2,165,000	2,028,000
Taxation on above earnings	861,000	832,000
Group earnings after providing for taxation	£1,304,000	£1,196,000

Note:—The 1971 figures are before charging gross interest to date on the Unsecured Loan Stock issued on the acquisition of the Ordinary shares in Aberdeen, Edinburgh and London Trust Limited. It is estimated the net cost for a full year will be covered by the income received from our investment in Aberdeen, Edinburgh and London Trust Limited.

The Directors have declared an interim dividend of 7.5% (1970—7%) on account of the year ending the 31st December, 1971 payable on the 30th September, 1971.

	30th June 1971	31st Dec 1970
	£	£
Valuation of Investments		
Quoted Investments at market value (including 75%—£2,313,000 of dollar premium, Dec., 1970—£2,155,000)	88,951,000	78,454,000
Unquoted Investments at valuation	33,798,000	22,861,000
Temporary Loans	765,000	1,110,000
	£123,514,000	£102,425,000

The net asset value of each 25p unit of Ordinary Stock is 159⅝p (December, 1970 135p). There is a potential liability for tax on unrealised capital gains of 19¼p per unit (December, 1970 12½p).

BRAID GROUP LTD

BEDFORD HOUSE, CHESTER

Salient points from the circulated Interim statement of the Chairman, Mr. W. A. Gregson.

- Turnover for the half year ended 31st March 1971 £5,906,041 (£4,865,741) an increase of 21% on last year.
- Profit before taxation £195,392 (£127,302) an increase of 53%.
- Interim dividend of 8½% (an increase of 1% on last year) declared for the half year to the 31st March 1971.
- Pattern of activity has continued into the second half year and providing there is no deterioration in the present economic situation profits in excess of £400,000 should be achieved for the year ending 30th September 1971.
- It would also be your Directors' intention to distribute a final dividend of 19% (17½%) which, together with the Interim Dividend of 8½% would make a total distribution for the year of 27½% (25%).

Conferences and Exhibitions

FINANCIAL TIMES SURVEY

Valid methods of communication

By CHRISTOPHER JOHNSON

Anyone who is addicted to exhibitions has a choice to-day between Enterprise Nottingbam, IPEX (the International Printing Exhibition at Olympia and Earls Court), the Brighton Antiques Fair, the Harrogate Lighting Exhibition, the Electromation Exhibition in Swansea, the East of England Agricultural Show, or the Royal Welsh Show—not to mention the Swaziland Show '71 at Manzini, Visual Communication in the Learning Industry in Vienna, or Hardex in Johannesburg.

The hardened conference-goer need not think that the season has ended yet, either. In London alone, he has a choice this week between Modern Company Taxation, International Insurance Law, and Cost and Price Forecasts—that is, if there is anything left of London's conference facilities after last week's gargantuan American Bar Association meeting.

Conferences and exhibitions have multiplied to the point where London's hotels and halls are inadequate to handle the demand. Provincial and even foreign conference venues have successfully tempted seekers after truth to sample pastoral solitude or bracing ozone. But London is making up for lost time, with new hotels still rising on the foundations of the Labour Government's subsidy, plans for an exhibition centre to rival the Birmingham project and talk about a major conference centre on some such site as Covent Garden.

In modern business conditions of rapidly changing products and techniques, and increasing international trade, conferences and exhibitions have become an essential means of communication, providing the sort of meeting-point that abbeys and cathedrals did in the Middle Ages, for all sorts and conditions of men of different lands whose common faith in what they are doing needs to be renewed from time to time.

Necessary time

As in the Middle Ages, faith-healers, peddlers of relics, heretical sects, anti-Popes, and all kinds of operators of doubtful value flourish alongside the true religion. An exhibition costs a lot to mount, and cannot be undertaken lightly; but there is a serious danger that the conference demand, like the demand for management training with which it is associated, will be met by too many ill-conceived schemes.

A recent letter in the Financial Times put the point so well that it is worth quoting at length: "It is difficult to find the necessary time to attend courses and lectures. It is also increasingly difficult to select the appropriate courses to attend from the plethora of literature that finds its way on to my desk from all kinds of sources. . . . The standard of some of these courses has been frankly appalling. The benefits have certainly not warranted the costs, and I could have obtained better results by purchasing a text book on the subject matter and reading it at my leisure.

"I would strongly advise those firms which are involved in organising management seminars that they review their policy immediately. The material of the speakers must be scrutinised for content and interest, and rehearsals must be convened to ensure a proper presentation technique. . . . Failure to carry out these elementary rules can lead only to a falling-off in attendance at conferences, to the consequent detriment of many courses which, I am sure, are conducted in an excellent and professional fashion."

Rating systems

The Management Courses Index, and other such rating systems, can help the tyro to hack his way through the jungle, and he may at least have the satisfaction—at the City University Graduate Business School, for example—of being asked to fill in a frank questionnaire on each speaker. But no such recourse is available when one has to decide whether or not to attend a large once-and-for-all conference; the reputation of the speakers and of the organisers are some guide, however imperfect.

The conference business has, of course, been a godsend to the British hotel industry, bringing salvation in the off-peak periods. But the hotels who want to stay in the running alongside the new facilities coming up towards completion would do well to understand the diversity of the conference as a means of business communication.

A number of different terms are in current use to denote gatherings of different size and importance — conference, convention, congress, meeting, seminar, and so on—but in the absence of any general agreement as to how they should be used, they only add to the confusion. So I shall stick to plain "conference," and ask French readers to note that it does not mean just one lecture.

If an organiser can muster an outstanding platform of speakers, all supreme authorities on the subject, it seems a pity not to attract as many hundreds of people as can persuade their companies to foot the bill at the going London rate of £25 a day. Lack of expertise in marketing, whether by direct mail or advertising, is one limitation; another is the shortage of bookings over the next year or more in West End hotels able to cater for more than two or three hundred.

But large conferences of this kind need to be stage-managed like a military operation, and often suffer by being run by well-intentioned people who lay no claim to expertise in conference organisation, but imagine that it is just one of these basic skills, like dealing with the morning's post, that any competent executive picks up.

This does not mean that every big conference must have an eidophor or an autocue, or some other electronic gimmick to attest to the professionalism of the organisers. Visual aids, for audience or for speakers, should be used as what they are—as aids, if and when required. A lively chairman, with the ability to use questions as a means of prompting discussion between speaker and audience, is an even more valuable asset.

At the other extreme, there is a proliferation of small conferences, with the attendance numbered in tens, whose purpose is more to inform and educate, with a high degree of audience participation, than to put across the views of well-known authorities. Here, the trouble is often that the marketing has outrun the production side. It is not difficult to attract some kind of response to a slick brochure with trendy topics, but only disappointment will result if there is no coherent theme running through the subject-matter.

Conferences can also be usefully distinguished according to their themes. First and foremost, there is all the difference in the world between the conference which you pay to attend and the conference which you have to be paid to attend. The latter type, the sales conference for agents or clients, is often more expertly staged than the former, because it is easier to judge by the subsequent sales figures whether it has succeeded in its object or not. It is worth noting that it is far easier to attract busy executives to, say, the west coast of Ireland, if you pay them to come than if they have to pay you.

Four categories

The paying kind of conference can broadly be distinguished into four categories: management, industry, geographical, and current affairs. The British Institute of Management is the biggest organiser of conferences in its own field, where it is being joined by a number of higher education contenders, whose academic principles are not inconsistent with honest fund-raising in a worthy cause. The grants which can sometimes be got from training boards are a useful stimulus to such conferences.

Industry conferences, sometimes in tandem with exhibitions, are often held by trade associations or the trade press, and ganerally move in well-oiled grooves from year to year. More than any other kind of conference, they give delegates the opportunity to make contact and conduct their horsetrading in between, if not during, the formal sessions—like the traders who used to conduct a brisk business in the aisles of tha great mediaeval cathedrals.

Geographical conferences may be regarded as an adjunct to export promotion, and are often linked with inward or outward buying missions, as well as with British waeks, trade fairs, and business exhibitions. Business travel is on tha increase, and can sometimes be justifiably conducted on a group basis if the group can share the benefit of a common briefing by experts on the country or area in question.

Timing crucial

Current affairs conferences on business topics fulfil a special function in initiating debate on the policies of governments or other institutions while they ara in the formative stage, as long as they avoid becoming a platform for politicians or other pressure groups to reiterate views for which they are already well-known. By their nature, they cannot always be repeated, and the choice and timing of the subject is of crucial importance.

In view of the varied nature of the business, it is not surprising that, with the exception of a handful of big operators, the conference and exhibition industries are characterised by plenty of small firms. For all the lack of exhibition space, there are some 250 exhibition organisers in this country, and doubtless about the same number of conference organisers.

The exhibition industry will surely welcome some effort by the Department of Trade and Industry to promote thinking about a national exhibition location policy that can accommodate both the Birmingham and the London exhibition centre projects, rather than regarding them as incompatible rivals. In the event of British entry into the EEC, the expected increase in trade may well be such as to justify both projects in the long run.

Exhibitions, whether at home or abroad, must of course be regarded as part of the export effort, or rather the effort to sell more in the wider "home market" that the EEC will provide. The DTI is preaching the gospel of "cost-effectiveness" in export promotion, which has already led to the death sentence on the British National Export Council. It is also revising the subsidy scheme for trade exhibitions in a way that is likely to discourage some marginal exhibitors.

While avoiding wasteful hand-outs, official policy should take care that British exporters are not put at a disadvantage vis-a-vis their foreign competitors, and ensure that British exhibition organisers are in a position to offer British exporters facilities as attractiva as those available at locally organised events.

Conferences and exhibitions are both valid methods of business communication, as well as providing convenient occasions for a break in office routine. But, at a time when the Government is setting the pace in cost-effectiveness, jamborees which fail to justify the money and the executive time spant on them will not in the long run yield a living to the organisers.

Lack of adequate exhibition halls

By W. J. LUXTON, Director, London Chamber of Commerce and Industry

During the past 18 months there has been a lively and sometimes heated debate over the siting of a National Exhibition Centre in London or Birmingham. The situation now is that the Birmingham proposals put forward by the Birmingham City Council and the Birmingham Chamber of Commerce and Industry, are awaiting the result of a planning inquiry and the Lyon Group's scheme for a London Exhibition Centre at Northolt is expected to go to a similar inquiry soon. But the surprising thing about the controversy is not so much that it has taken so long for the dearth of modern exhibition facilities in this country to become a matter of urgent concern, but rather that the proposed solutions are so narrowly defined.

At present the U.K. has two principal Exhibition halls—Earls Court and Olympia in London. Individually, they cater for the large consumer orientated shows such as the Ideal Home, the Boat Show and the Motor Show and combined for large scale exhibitions like the recent Engineering 71 and the current International Printing Machinery Exhibition (IPEX). There are some facilities in other centres round the country, including Glasgow, Blackpool, Harrogate, Manchester, Brighton and Birmingham. Yet no-one could claim that any of these facilities are either modern or adequate.

The contrast between the British position and that in the Common Market countries is very marked. Even a small country like the Netherlands has three major exhibition centres, while West Germany has literally a score. The names of German exhibition centres are well-known, including Hanover, Frankfurt, Dusseldorf, Cologne, Munich and Berlin, but in addition there are many other smaller centres. It is worth remembering that the exhibition space at Hanover is equal to that of the London and Birmingham proposals put together.

British industry has always been less exhibition minded than Continental industry, but can it safely continue to be so if Britain becomes part of an enlarged European Economic Community? All our prospective partners in the present EEC have excellent modern exhibition facilities. The pattern of exhibitions is subject to constant change. It would be surprising if a development as important as the enlargement of the Community had no material impact upon the future European pattern of exhibitions. Britain must be in a position to stake its claim to its fair share in this future pattern. To do so, some closing of the gap between the quality of the facilities

Continued on next page.

CONFERENCES AND EXHIBITIONS II

Keeping pace with the growth in conferences

By ARTHUR SANDLES

The arrival of 12,000 delegates, wives, children and secretaries for the conference of the American Bar Association in London caused something of a stir. It was, after all, the middle of the tourist season and the lawyers put quite a strain on a well-stretched accommodation situation in the British capital.

However, the gathering was just another symptom of the way in which the world conference business has exploded. There have been suggestions that the global conference market in 1985 will take in up to 50m. delegates at approaching 100,000 separate international conferences. At the moment we have around 4,000 such conferences with about 2m. people taking part. Obviously the idea is that there will be a rapidly accelerating growth in the conference business in the 1970s.

Already tourist areas that used to boast about their beaches, sunshine and night-life, now talk about multi-lingual translation facilities, purpose-built conference halls and superb international communications. There is more money in Martinis than candy-floss and the conference trade is definitely the Martini end of the market.

It is in the international field that the growth is likely to be most apparent. The development of international companies and trade associations, the need for personal contact in an increasingly impersonal world, and the developing awareness that exchanging views can be a profitable business will all combine to provide the impetus.

Potential seen

There is little doubt that a great number of people have seen the potential. The Swiss, the Spanish, the Irish and the Australians are eager to get into the international conference business and are making considerable efforts to do so. The Dutch started from virtually nothing seven years ago and have now placed the Hague into fifth position in the conference popularity league.

Although Britain is weak on *large-scale conference facilities* there is a growing sophistication at the middle and smaller sized end of the market. It is arguable, of course, that these are the profitable areas. A 6,000 delegate conference may be a prestige event but it takes a great deal of organising and demands facilities which may be under-utilised for much of the year. London's biggest meeting places, the *Festival Hall (3,000)* and the Albert Hall (6,000) cannot be used for long conferences and are not equipped to deal with the heavy catering demands of *such gatherings.* The biggest suitable venues are Grosvenor House (2,000) and the Hilton, Europa and Dorchester (1,000 each).

Doubt is increasingly expressed as to whether Britain can hold her own in the international big-conference market. To this end pressure is already being brought to bear on the Greater London Council to ensure that the Covent Garden redevelopment does include the large scale conference facilities that have been talked about.

On a purely domestic scale hoteliers and local authorities are paying increasing attention to a market which is going a long way towards *reviving the* fortunes of inland and resort hotels currently hit by the vacation attractions of foreign parts. Brighton estimates that it grossed £2m. from the conference trade last year and it spends about £40,000 on promotion and hospitality to keep that business on the increase. There should be around 200 conferences of an appreciable size in Brighton this year and, in the north, Scarborough will not be far short in the number of fixtures.

Hotels to-day are rarely built without extensive conference facilities and those of an older vintage seem rarely without a corps of builders in trying to improve things. Trust House Forte for example now has well *over 100 hotels in Britain* with conference facilities and, on the newcomer front, it will be a rare British Holiday Inn that does not have conference suites with audio-visual facilities.

Some questions

But during the past couple of years the conference boom has lead to some questions being asked about the effectiveness of such gatherings. The days when a jolly get together with golf to fill the long gaps between sessions and night club jaunts made the evenings pass more quickly was the norm are passing. The cold light of economics is passing through the industry. "I would never hold a conference. I do not want my salesmen getting together and talking about my business," might be a sentiment of the commercial dark ages. But, "The only purpose I can see for our conference is to give the men a break away from their wives. It's good for morale," is a pretty dated view too.

A closer look at the cost effectiveness of conferences has given rise to an increasing number of specialist agencies emerging in the conference *organisation* business. Unfortunately, as many a conference organiser has found in the past, the pitfalls awaiting the over-eager and under-experienced are considerable. Simple mistakes like having the wrong speakers for audiences, provoking discussion and then allowing no facility for it to be expressed, using twenties visual techniques in conference rooms which are equipped for the latest audio-visual methods persistently recur. It is also nice to have someone else to kick at the end of the day if something does go wrong.

It seems inevitable that as conferences grow increasingly sophisticated and an increasing number of companies and organisations are drawn in, the involvement of specialist agencies will grow. This is particularly true of the international conference and the "sales spectacular," one of the phenomena of modern business meetings. It has been consistently demonstrated that a variety show with the "message" well woven into first rate entertainment is a very effective means of reaching people who are likely to nod off when the managing director starts reading off his statistics from a black-board style wall-chart.

Just as the content of conferences is changing, so is the location. To-day, you can rent the London Palladium—or most theatres for that matter—or Caister holiday camp. The QE 2 is yours, or the Talk of the Town.

There seems little doubt that this enthusiasm for conferences will breed more. At the moment there appears no better way of reaching the man who for the rest of the year is on his own in, say, the West Country with his estate car of samples and occasional telephone call to the regional office. Nor for that matter a superior system for the researcher at Cambridge to meet his counterparts from Moscow and Calcutta than over conference coffee between sessions.

Faster rate

It is for these reasons that the conference business will grow — and almost certainly grow at a faster rate than the normal travel business. Conferences are usually planned a long way ahead and not subject to the normal holiday vagaries. Thus the competition for conference business will be considerable in the next few years. Certainly Britain is both well placed and reasonably well prepared to handle the bulk of that additional business. However, when it comes to the international big league the decision will have to be taken fairly soon whether or not this country is going to stay in the market and do so by building at least one, and possibly more, purpose-planned centres for 4,000 delegates or more.

The state ballroom at Goodwood House near Chichester in Sussex which has recently been re-opened to the public and is now available for conferences.

Exhibitions—*(Cont'd.)*

Continued from previous page

which exist in this country in comparison with those elsewhere in Europe will need to take place.

At the moment there is a feeling of malaise in the exhibition industry in the U.K. Domestic exhibitions show a tendency to become smaller and some exhibitions are now taking place at less frequent intervals. No doubt this is a symptom of the general lack of growth and uncertainty in British industry itself and will not necessarily persist should our participation in Europe produce the dynamism and growth in British industry that the Government expects.

What are the chances of closing the gap? There are some who feel that the money would be better spent on increasing and improving British participation in overseas fairs. As a frequent organiser of "joint ventures" with the Department of Trade and Industry at these fairs, the London Chamber knows *how valuable* these efforts are. Yet if the trade promotions policy is to be complete it is very important that overseas buyers should be *encouraged to come* to British shows. Interest shown at exhibitions can be followed up by factory visits and there is, of course, the additional advantage of invisible earnings.

Two types

There are, basically, two types of exhibitions that could be staged in Britain. The first is the international exhibition which goes to different countries in turn, such as those for machine tools, textile machinery, printing machinery, packaging machinery and materials, plastics, construction equipment, and soon, perhaps, the motor industry. The second is the basically home-oriented exhibition, designed to sell British goods but with international participation. Another and rather overlooked aspect of this exhibition is its role in promoting regional development and trade. For instance, in France, most of the regional centres *have regular exhibitions* which do much to boost the industrial potential of their area. There seems to be a good case for similar exhibitions being held in some of the U.K. regions seeking investment. *This* point has been made in favour of the Birmingham site by the West Midlands Economic Planning Council; it must also be equally true for other regional *centres* like Cardiff, Glasgow and Newcastle.

At present the U.K. is unable to stage, through lack of the necessary facilities, many of the international exhibitions whose venues are governed by international agreements. Each country takes it in turn to stage these events and thus play host to buyers from all over the world. In any international exhibition it is *usual* for a majority of the participants to come from the organising country. This gives a tremendous advantage to the host country's industries. This is the case, and it is a strong one, for exhibition centres and facilities not just in London and/or Birmingham, but in other centres as well.

Extra efforts

It would be reasonable to assume that with Britain inside the EEC there will be a greater disposition for continental industry to show its wares in exhibitions in *this* country. Our highly industrialised country of 55m. people is, however, "off centre" geographically when the Community is looked at as a whole and for that reason extra efforts will need to be made to ensure that as a country we are not left behind in this highly competitive field of trade exhibitions. To do this we must have adequate modern exhibition facilities. Finance is, of course, the crux and has proved to be a major stumbling block in all the "toings and froings" in the National Exhibition centre's discussions from the Crystal Palace project of 1966 onwards. At that time the Government made it clear that in their view, potential users should share the cost. This was not to the liking of industry who thought a collective scheme would be both difficult to set up and even more difficult to run.

Another alternative was to permit developers to include a substantial amount of office building in a composite scheme but *this ran* counter to fundamental planning decisions.

It was against this background that Birmingham put forward its proposals for a site near Meriden which would *require* £1.5m. from Government funds as opposed to the £4m. needed by the first Northolt scheme. A subsequent scheme has now been put forward for Northolt which could be financed entirely by the developer and the GLC.

If as a result of the harmonisation of institutions within the EEC British Chambers of Commerce adopt the mantle of public law status, would it be entirely fanciful to contemplate regional exhibition centres in one or two of our major provincial cities being run jointly by the City Corporation and the Chamber of Commerce, as is the practice in several continental cities?

WALL STREET + OVERSEAS MARKETS

Market falters on lack of demand

BY OUR WALL STREET CORRESPONDENT

NEW YORK, July 21.

EARLY FIRMNESS, on the continued flow of favourable earnings reports, faltered on Wall Street to-day on lack of follow through demand.

After opening 0.66 up at 892.96, the Dow Jones Industrial Average dipped to 889.89 before partially recovering to 890.70, for a net loss of 1.60. The Transportation Index dipped 1.97 to 213.20 but the Utilities Index firmed 0.38 to 118.51. Trading volume decreased 330,000 shares to 8.04m., compared with 2 p.m. yesterday.

After opening 0.66 up at 892.96, the Dow Jones Industrial Average dipped to 889.89 before partially recovering to 890.84, for a net loss of 1.46. The NYSE All Common Index shed two cents to $55.04, while declines led advances by 718 to 617. Trading volume decreased 620,000 shares to 11.92m.

Many traders were exercising caution pending the release of the Stock Market's short interest figures later this afternoon. This, according to market operators, far outweighs for the moment any short-term effects improved corporate profits would have on the market as a whole.

After the close the Stock Exchange announced its short interest position, as at July 15, down 1,085,033 shares to 17,160,067 shares. This was the fourth consecutive monthly decline and brought the total to the lowest level since May, 1970. A year ago, the total was 18,219,220 shares.

Stocks buoyed earlier in the week by better-than-expected second quarter reports often ran out of steam to-day. Chrysler, whose sharply higher second quarter earnings boosted the market generally late on Monday, dipped $⅜ to $28½.

General Electric lost $⅞ to $56⅞, after the close it announced a 5,000 cut in its work force.

Among popular trading issues, Sperry Rand were down $1¼ to $31, following its lower earnings reported late yesterday. Bausch and Lomb gave way $1½ to $132¼ after posting second quarter net of 41 cents (43 cents) per share. Thomas fell $3⅞ to $81½.

IBM, however, rallied $2¼ to $311¾, while Xerox rose $1 to $115¼ on its record second quarter earnings. Polaroid came back $1⅝ to $71½.

Coppers closed mixed, despite reports of tentative accords in contract talks. Anaconda eased $⅛ to 18⅞—yesterday it said it had reached agreement with striking mine workers. Phelps Dodge gained $1 to $40⅝.

Airlines also closed mixed, caught between TWA's second quarter profit of 66 cent per share against a loss for the period in 1970, and American's dividend omission and lower earnings. TWA eased $⅛ to $25½ and American fell $1⅛ to $28⅞. Eastern gained $⅛ to $17⅞ but UAL, the second most active issue, shed $⅛ to $35½.

A UAL spokesman said activity in the stock may have been sparked by the similarity of the routes with American ad TWA. UAL will report next week.

Merck rose $1⅞ to $105 on its quarter earnings.

Amerada-Hess advanced $1⅞ to $68⅞, following its sharply higher second-quarter earnings.

Prices tended lower in dull trading on the American SE, where the Index was off four cents to $25.53 in a volume of 3.12m. (2.81m.) shares.

The ASE reported a short interest position 4,255,336 shares as of July 15, a decrease of 528,915 shares. A year ago the short interest was 5,062,120 shares.

OTHER MARKETS

Canada higher

Canadian Stock Markets continued to move higher yesterday, under the lead of Gold shares which jumped 7.70 on index.

Western Oils rose 0.84, Utilities 0.83, Industrials 0.63, Base Metals 0.22 and Banks 0.11. Papers, however, dipped 1.00.

Dome Mines were lifted $4 and Campbell Redlake Mines were up $1. Gains of $1 each also were scored by Metropolitan Stores and BC Telephone.

MILAN—Most sectors declined on profit-taking in quiet dealings. Mediobanca were Lire 340 lower, while most Financials weakened. Insurances met moderate selling pressure. Fiat, both Pirelli issues, Snia Viscosa and other leading Industrials were quietly easier.

Bonds also eased in moderate trading.

STOCKHOLM—Generally maintained.

SWITZERLAND—Markets were slightly higher, aided by the overnight rise on Wall Street. Brown Boveri, Ciba-Geigy and Interfood each showed notable advances.

Among Foreign shares, Dollar stocks were predominantly higher in more active dealings. Dutch issues were easier, German shares were little changed.

AMSTERDAM — Amsterdam Rubber advanced in very steady Plantations. Investment Funds and Shippings also were steady. Local Industrials were quiet. Heineken reacted Fls.4. Amfas weakened in Insurances. Banks were mixed. State Loans also were mixed.

Most Internationals were quietly easier. Hoogovens declined Fls.1.9 on uncertainty ahead of its half-year results due next week. Akzo and Philips were barely steady.

GERMANY—Markets were well maintained on increased interest, with isolated movements lending a firmer undertone.

AG Fuer Verkehrswesen gained DM17m. in active dealings, and Degussa rose DM11.5. Stores were again firm led by Kaufhof, up DM5, leading Chemicals and Electricals were little changed.

Bayerische Hypobank gained DM4 in firm Banks, but interest in Gelsenberg and Hamborner quietened.

Bonds were generally firmer.

PARIS — Generally resistant, with narrow movements influenced by activity on the Gold Market and end of month technical factors.

Stores were firmer but Oils were weak, with Lille-Bonnieres Raffinage and Shell Francaise each lower.

Investment companies and Foods were mixed.

Foreign stocks were narrowly mixed. Americans were firm while Golds and Germans were slightly higher.

Belgians eased.

BRUSSELS—Closed yesterday—National holiday.

VIENNA—Steady in quiet trading. Banks and Insurances were little changed.

OSLO—Banks, Insurances and Shippings were steady, while Industrials were irregular.

COPENHAGEN — Uncertain in fairly active trading, with several weak spots among Industrials.

JOHANNESBURG—Golds improved on local buying, but metals were generally dull and Coppers tended easier. Mining Financials also eased.

Banks were lower. Collieries remained steady, while Industrials were mixed.

TOKYO—Prices generally declined on continued profit-taking, reflecting rumours that margin requirements might be increased. Volume 240m. (280m.) shares.

Sony were down Yen 28. Tokyo Electronics lost Yen 26, Alps declined Yen 30 and Pioneer also gave way Yen 30

Constructions and Dredgings also reacted on profit-taking. Taisei Construction shed Yen 10 to Yen 267, Obayashi Gumi also eased Yen 10 to Yen 320, Okumura Gumi lost Yen 33 to Yen 746. Wakachiku Construction dipped Yen 6 to Yen 417 and Penta Ocean Construction gave way Yen 8 to Yen 407.

Daiwa House further declined Yen 85 to Yen 530, and some other Housing related issues also retreated in sympathy. Eidai fell Yen 51 to Yen 666.

AUSTRALIA—Mining shares were mixed, Oils weakened and Industrials drifted lower.

Selcast closed 38 cents higher at $1.85, following its acceptance of 20 per cent. equity in Western Selcast.

The Conwest, up 2 cents to 85 cents, report had no marked effect on the market. Carr Boyd sold at 60 cents, while no sales were posted in Geometals.

Great Boulder fell 15 cents to $2, Poseidon dropped $1.50 to a year's low of $20, while 5 cent losses were shown by CMI at $3.05, Southland at $1 and Theseus at 35 cents.

In "Heavyweights," WMC gained 20 cents to $3.96 following Tuesday's report. Peko Wallsend recovered 10 cents to $9.10 but Bougainville Mining lost 10 cents to $2.95.

In Oils, Woodside shed 19 cents to 96 cents—it reported the completion of test on the North Rankin No. 1 well. The contributing shares lost 11 cents to 54 cents. Mid East, a participant in the well, declined 7 cents to 40 cents. Santos recovered 4 cents to $3.20.

Indices

NEW YORK

DOW JONES AVERAGES

Close	Home Bonds	Transport †	Indus. *	Util. Φ	Trading volume† 000's
July 21	70.36	215.10	890.64	118.10	11,920
20	70.40	216.17	892.30	118.13	12,540
19	70.26	214.83	886.39	119.13	11,450
16	70.17	217.17	888.61	118.46	13,870
15	70.15	217.37	888.87	118.46	13,060
14	70.12	217.01	891.21	118.48	12,100
13	70.15	217.04	892.38	119.09	13,540
12	70.10	220.21	903.40	119.66	12,020
1971 High	71.88 (6/4)	252.79 (28/4)	950.82 (28/4)	128.39 (19/1)	—
Low	68.82 (4/1)	169.70 (4/1)	830.57 (4/1)	115.11	—

* All-time high 995.15 (9/2/66)
‡ All-time high 279.88 (7/2/69)
Φ All-time high 163.32 (20/4/65)
† Excluding bonds.

IND. DIVIDEND YIELD p.c.

July 16	July 12	Aug 5 1970
3.60	3.56	4.40

N.Y. SE ALL COMMON INDEX

Dec. 31, 1965=50.

1971 High	1971 Low	Wed.	Tues.	Mon.	Fri.	Thurs
57.76 (28/4)	49.75 (4/1)	55.04	55.09	54.84	54.97	55.00

RISES AND FALLS

Issues traded	Up	Down	Unchanged
1,660	617	718	325

	Wed.	Tues.	Mon.	Fri.	Thurs
New Highs	33	42	32	67	61
" Lows	42	55	40	35	22

AMERICAN SE ALL STOCKS AVERAGE

1971 High	1971 Low	Wed.	Tues.	Mon.	Fri.	Thurs
26.62 (28/4)	22.72 (4/1)	25.53	25.57	25.55	25.61	25.64
Volume (000's)		3,120	2,810	2,510	3,100	3,190

STANDARD AND POORS U.S. STOCK INDICES

	*Industrials	†Composite
July 21	109.39	99.28
20	109.42	99.32
19	108.95	98.93
16	109.14	99.11
15	109.36	99.28
14	109.30	99.22
13	109.39	99.30
12	111.14	100.82
1971 High	113.54 (28/4)	104.77 (28/4)
1971 Low	99.73 (4/1)	91.15 (4/1)

* 425 Industrials. † 425 Industrials, 50 Utilities and 25 Rails. (1941=10.)

STOCK AND BOND YIELDS

	July 15	July 8	July 15 1970
Industrial div. yield pc	2.92	2.89	3.97
Price-earning ratio	18.41	18.38	16.61
Long-term Govt. Bds. yield pc	6.10	6.22	6.77

TUESDAY'S ACTIVE STOCKS

	Shares traded	Closing price	Change on day
Ling Temco Vought	200,700	16⅛	+⅛
Inter. Nickel	181,500	33⅞	—
Textron	163,800	23⅞	−⅛
American Motors	137,600	7	+⅛
General Electric	132,100	57⅞	+1⅛
Crown Zellerbach	143,300	31⅞	+⅛
Chrysler	127,700	28⅞	+1⅛
Swank	124,400	18	−2⅛
GAF	117,600	17	+1⅛
Greyhound	102,300	24⅞	+⅛

TORONTO

INDUSTRIAL INDEX

July 21	July 20	High 1971	Low 1971
178.62	177.99	185.74 (21/4)	173.8 (4/1)

MONTREAL

INDUSTRIAL INDEX

July 21	July 20	High 1971	Low 1971
184.65	184.16	188.60 (20/4)	176.30 (4/1)

COMBINED INDEX

July 21	July 20	High 1971	Low 1971
181.49	181.49	185.02 (20/4)	172.85 (22/2)

JOHANNESBURG

	July 21	July 20	High	Low
Industrials‡	204.5	205.0	212.4 (19/0)	165.5 (13/1)
Golds†	79.4	79.5	89.3 (19/4)	73.7 (15/7)

(1968=100.) Source: Rand Daily Mail.

AUSTRALIA

MELBOURNE YIELD INDICES

Av'ge yield on all Leading Stocks	July 18	July 10	July 14
On Dividends	0.52	0.52	5.43
On Earnings	9.31	2.31	9.30

SYDNEY ALL ORD. INDEX

July 21	July 20	High 1971	Low 1971
490.73	492.32	518.61 (4/1)	477.13 (5/3)

TOKYO

NEW SE INDEX

Base=100 January 4, 1968.

July 21	+ or −	Div. ¾	Yield %
201.40	−2.38	11.90	3.01

1971	High	Low
	204.33 (19/7)	148.83 (5/1)

EUROPE

	July 21	Previous	1971 High	1971 Low
Belg'm (m)	(c)	106.65	106.65 (16/7)	92.18 (6/1)
France (bb)	78.5	78.6	78.8 (23/5)	74.8 (6/1)
Germany*	106.40	105.30	112.71 (25/2)	94.98 (6/1)
Holland (o)	122.0	122.3	128.0 (8/4)	112.6 (6/1)
Italy	50.12	50.58	60.09 (19/1)	48.34 (12/7)
Sweden (p)	216.62	217.96	232.71 (25/6)	185.11 (6/1)
Switzerl'd**	408.2	406.3	410.4 (10/4)	355.5 (4/1)

* Herstatt Index. ‡ Base amended to January 2, 1962, from December, 1950. **Swiss Bank Corporation Index base 100 December, 1958. (b) Basis 100 December 29, 1967. (c) Closed. (m) Base date amended from 1953 to 1963. (o) Adjusted now quoted on basis 1963=100 and no longer 1953=100. (p) Base date December 29, 1958. (bb) New index introduced by Paris Bourse Committee basis 1961=100.

MONEY + EXCHANGES

Loans at Bank Rate

Bank Rate 6% (April 1, 1971)

Credit was in short supply in the Discount market yesterday, and books were balanced only after four or five houses had shared in a moderate loan from the Bank of England for one day at Bank Rate of 6 per cent. Revenue transfers to the Exchequer were heavier than Government disbursements, but the shortage was reduced to some extent by net Treasury bill maturities in the market's hands. Banks were making-up their monthly balance sheets.

A rate of 5¾ per cent. or 6 per cent. was paid for day-to-day money for the best part. Late balances were obtained at levels down to 4¾ per cent. and sometimes 4 per cent., however, and little use was made of privilege arrangements. Near 3-month Treasury bills were quoted for sale at 5¹⁵⁄₃₂ per cent. or 5½ per cent.

Sterling certificate yields were slightly firmer in some cases. A late sample of quotations gave the following range: One-month 6¹⁄₁₆-5¹⁵⁄₁₆ per cent., two-month 6⅛-6 per cent., three-month 6³⁄₁₆-6¹⁄₁₆ per cent., six-month 6⅜-6¼ per cent., nine-month 6⁹⁄₁₆-6⁷⁄₁₆ per cent., 12-month 6⅝-6¹⁷⁄₃₂ per cent., and two-year 7³⁄₁₆-7¹⁄₁₆ per cent.

In the inter-bank market, overnight loans were around 5⅞-6 per cent. for the best part, with 2¼ per cent. being quoted on occasion, but in late business there was a fall to 4 per cent. and 3 per cent. or so. Month money was at 5⅞-6⅛ per cent., three-month 6-6³⁄₁₆ per cent., six-month 6¼-6⅜ per cent., nine-month 6⁷⁄₁₆-6⁹⁄₁₆ per cent., and 12-month 6⅜-6¾ per cent. First-class finance houses offered around 6¼-6⅜ per cent. for three-month deposits, 6⅜-6¾ per cent. for six-month, and 7⅛ per cent. for 12-month.

Local authorities paid between 6⅜ per cent. and 6 per cent., or sometimes 6¼ per cent. for loans at two-days' notice, and 5⅞-6 per cent. for loans at seven-days' notice. Month money was at 5⅞-6 per cent., three-month at 6-6³⁄₁₆ per cent., and six-month 6¼-6⅜ per cent. One-year mortgages were quoted at 6⅞ per cent., or occasionally at 6¹⁵⁄₁₆ per cent., and two-year at 7⅛ per cent., or occasionally 7⅜ per cent., with three-year at 7⅞ per cent., four-year at 8-8⅛ per cent., and five-year at 8⅛-8⅜ per cent.

Loans Φ Day to-dy	Loans Φ Sh'rt prds	Banks Bills Φ 2 & 3 mths	Banks Bills Φ 4 mths	Banks Bills Φ 6 mths	Fine Trade Bills 3 mths	Fine Trade Bills 4 mths	Fine Trade Bills 6 mths
4¾-6	4½-6	6⅜-6½	6⅜-6½	6⅜-6⅝	7-7⅛	7-7⅛	7¼-7½

Φ Rates at which discount houses take loans or buy bills respectively. Buying rates for Treasury bills in the Discount Market: two months 5¹⁷⁄₃₂ per cent., three months 5⁹⁄₁₆ per cent.

...Finance House Base Rate published by the Finance Houses Association: 7 per cent. from July 1 (unchanged from June).

BULLION

Gold was fixed at $41.20 (£17.033) an ounce in London in the morning, and at $41.16 (£17.015) in the afternoon. A good business was done, with speculative buying and speculative selling apparently encountered. The closing quotation was $41.15-41.35, for a net gain of 30 cents. Gold coins were widely unchanged, but the introduction of a forward market in them on the U.S. West Coast Commodity Exchange seemed to have a continuing effect on sovereigns, with new rising 10 cents to $10.35-10.45, and old hardening to $12.60-12.80, from $12.25-12.35. In Zurich, gold ended at $41.15-41.30, for a gain of 30 cents on the day.

EXCHANGES

Sterling rose ⅛ cent on balance against the U.S. dollar to $2.41¹⁵⁄₁₆, only in part as a result of the weekly dollar interest rate swing. A fairly good business was done. The pound opened at about $2.41⅞ (roughly the same level as the previous evening if adjustment is made for sterling's technical advantage), but strengthened during the day—helped by a swing in the day-to-day swap position. Forward sterling was weaker, however, partly as a result of a softer tone in short-term Euro-dollars. The three-month discount on the pound widened ¹⁄₁₆ cent to ⁷⁄₁₆ cent, the six-month ¹⁄₃₂ cent to ³¹⁄₃₂ cent and the 12-month ⅛ cent to ⁵⁄₁₆ cent. Among leading Continental units, there was a further strengthening of the German mark, which gained 60 points on the day to DM3.4635 to the dollar, after weakening at one stage. The Bundesbank was said to make further sales of dollars. The French franc ended around its official dollar ceiling of Frs.5.51¼ in London, and there were some suggestions that the Bank of France had given support to the dollar. With the Brussels market closed, the Belgian franc moved slightly above its official dollar ceiling in international dealings. Dutch guilders and Swiss francs were among currencies to strengthen. The Canadian dollar improved a little further, with capital market operations thought to be a factor.

FOREIGN EXCHANGES

July 21 1971	Bank Rate %	Market Rates: Day's Spread	Market Rates: Close
New York	5	2.41⅝-42	2.41⅞-42
Montreal	5¼	2.48½-7⅛	2.46¾-¹³⁄₁₆
Amst'dam	6½	8.58½-61	8.59¾-60¼
Brussels	6	116.90-120.15	120.00-10
Copenh'gn	7½	18.12-14	18.13⅛-⅛
Frankfurt	6	8.38⅞-41⅞	8.39-½
Lisbon	3¾	68.65-69.05	68.84-.94
Madrid	6††	168.05-55	168.15-35
Milan	6	1,505⅞-09⅞	1,508⅞-07⅞
Oslo	4½	17.16¾-19¼	17.18-½
Paris	6¾	13.32½-34½	13.33⅞-⅞
Stockh'lm.	5	12.47-49	12.48-½
Tokyo	5¼	863-866	863⅞-864¼
Vienna	5	60.20-45	60.32-37
Zurich	3¾	9.88-90	9.88¾-89¼

N.B. Bank of England official limits for U.S. $2.38-42. Δ Bank of Portugal discount rate. †† Basic discount rate.

OTHER MARKET RATES

Australia	2.1429-1514	Malaysia	7.3525-385
N.Zealand	2.1367-1492	Argentine	10.60-10.7
S.Africa	1.7121-7207		¶12¼-13¼
†India	5.5230-5605	Brazil	13.66-12.88
†♣Pakistn	8.737-63		¶13¾-15¼
Ceylon	14.170-302	France	¶13.10-40
*Hng Kng	14.530-614	W.G'm'y	¶8.30-45
Luxemb'g	120.00-10	Spain	¶157-169
Belgium	¶120-121	Greece	72¼-¼
Italy	♥¶1485-1515	Switzerl'd	¶9.85-95
Holland	¶8.50-65	Austria	¶60-60¼

¶ Note rates quoted by specialist dealers. Other rates may be quoted elsewhere. † £'s per 100 Rps. ♣ Tourists receive a 45 per cent. bonus on foreign currency surrendered to banks in Pakistan. ♥ Rate for all denominations. * Hong Kong dollars in the pound.

U.S., Canada 96.05-96.08.

FORWARD RATES

—	One month	Three months
New York	¼-⅛ c. pm	½-⅜c. pm
Montreal	¾-⅝ c. pm	1⅝-1⅛ c. pm
Amst'dam	3-2 c. pm	6½-5½ c. pm
Brussels	30-10 c. pm	77-57 c. pm
Copenh'n.	Par-5 ore dis	4-6 ore dis
Frankfurt	1¼-½ pf. pm	3-2 pf pm
Lisbon	20 c. pm-par	30c. pm-par
Milan	2½ lire pm-½ dis	4-2 lire pm
Oslo	3 ore pm-2 dis	0 ore pm-par
Paris	1¾-¾ c. pm	4¼-3¼ c. pm
Stockh'lm	Par-1 ore dis	Par-1 ore dis
Vienna	10 gro. pm-10 dis	25 gro. pm-par
Zurich	2¼-1¾ c. pm	6¼-5¾ c. pm

EXCHANGE CROSS-RATES

July 21	Frankfurt	New York	Paris	Brussels	London	Amsterdam	Zurich
Frankfurt	—	3.4680-85	62.96-.05	6.992-997	8.401-402	97.47-53	84.90-95
N.York	28.835-840	—	19.1375-1425	2.0154-56	2.4192-4196	28.125-135	24.46-465
Paris	158.65-75	5.5125-30		11.1115-75	13.331-341	154.74-86	134.825-885
Brussels(c)	14.28½-29¼	49.63-¼	9.0-00½	—	120.02-07	13.96.5¼	12.13-5¼
London	8.39-½	2.41⅞-42	13.33⅞-7⅛	120.0-10	—	8.59½-60½	9.88½-89¼
Am'd'm	102.51-56	3.55⅛-⅛	64.57-62	7.17⅞-12⅛	8.61⅛-7⅛	—	87.11-16
Zurich	117.84-89	4.0874-79	74.14-16	—	9.883-891	114.85-89	—

U.S.$ on Montreal 1.02¹⁄₁₆-¼. Canadian $ on New York 0.9806-9811. Milan on New York 621.30. Milan on London 1508.50. (c) Closed. (r) Rates for July 20.

EURO-CURRENCY INTEREST RATES

	Sterling	U.S. dollar	Canadian dollar	Dutch guilder	W.German mark	Swiss franc
‡Short-term	0⅞-6¾	5¼-5¾	5½-5¾	1-2½	4-5½	¾-2¾
7-days' notice	—	5⅜-5⅞	4-4¼	1¼-2⅛	4-0⅛	—
Month	6¹⁄₁₆-6¾	5⅝-6⅛	4¹⁄₁₆-4⁷⁄₁₆	5⁷⁄₁₆-5¹¹⁄₁₆	6⅞-6⅝	4⅛-4¾
Three-months	6¾-7¼	6-6½	4¹³⁄₁₆-0⁷⁄₁₆	4⁷⁄₁₆-4⅞	5¾-8⅛	4½-4⅞
Six-months	7½-8	8¾-7¼	6-6¼	0½-5¹⁵⁄₁₆	8½-8¾	0⅛-6⅞
One-year	8⅛-8½	7¹⁄₁₆-7⁹⁄₁₆	8⅞-7⅛	9⅛-9⅝	6⅞-7⁵⁄₁₆	6-6¼

Longer-term rates for U.S. dollars as follows: two-years 7⅞-8 per cent., three-years 8⅛-8⅜ per cent., four-years 8⅜-8⅝ per cent., and five-years 8⅛-8⅜ per cent.

The following rates were quoted for London dollar certificates of deposit: one-month 6-5⅞ per cent., three months 6⁷⁄₁₆-6⁵⁄₁₆ per cent., six-months 7³⁄₁₆-7¹⁄₁₆ per cent., one-year 7⅞-7⅝ per cent., two-years 8-7⅞ per cent., three years 8⁵⁄₁₆-8¹⁄₁₆ per cent., four-years 8⁹⁄₁₆-8⁵⁄₁₆ per cent., and five-years 8⅝-8⅜ per cent. Longer-term tranche issues were quoted at follows: Midland Int. 6⅛ per cent., September 25, 1972, 7⅞-7⅝ per cent., Standard Bank 7⅞ per cent., September 18, 1973, 8¹⁄₁₆-7¹³⁄₁₆ per cent.

‡ Short-term rates are call for Sterling, U.S. dollars and Canadian dollars, and two-days' notice for Guilders, Marks and Swiss francs.

OVERSEAS SHARE INFORMATION

Investment $ Premium 23½% (22½%)

NEW YORK

Stock	July 21	July 20
Crane	47¼	47⅝
Creole	23⅝	23⅛
Ling-T'mco-Vght	15⅜	16⅛
Litton Indus	30	30⅛
Sterling Drugs	44⅞	45¼
Studebaker	60¼	60⅝
Crocker Nat. O.P.	36	32
Dividend Shares	3.74	3.74
[illegible]	[illegible]	[illegible]

GERMANY

July 21	Price Dm	+ or −	Div. %	Yld. %
6% Fed. Loan (1977)	90½	−⅛	6	6.7
A.E.G. Dm. (50)	168.5	−0.2	16	4.7
Allianz Vrs Dm50	373	+1	12	2.4
Audi NSU (Dm50)	152	−0.1	y—	—
B.M.W. (Dm 50)	120.2	−1.2	12	5.3
Bad Anilin (Dm50)	140	−0.3	22	7.2
Bayer (Dm. 50)	135.2	+0.1	16	6.2
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

TORONTO

MONTREAL

PUBLIC UTILITIES

TRUSTS, BANKS & BONDS

AMSTERDAM

OSLO

PARIS

July 21	Prices Frs.	+ or −	Div. Frs.	Yld. %
Rentes 3½pc 1952	171.2	....	3.5	2.0
Air Liquide	406	−0.5	10.25	2.6
Aquitaine	630	....	13.84	2.1
BanqueInd.Chine	322	−2.2	8.09	2.2
Beghin	164.5	....	7.59	4.6
Bouygues Soubeon	1,226	+4	21.59	1.8
Charter Cons	38.5	−0.46	32	2.7
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

BRUSSELS

SWITZERLAND

VIENNA

MILAN

TOKYO

STOCKHOLM

COPENHAGEN

AUSTRALIA

JOHANNESBURG

STOCK EXCHANGE REPORT

Leading equities rally from a largely technical fall

Index ends 4.5 down at 404.4 after 401.3—EMI above worst

ACCOUNT DEALING DATES

Option *First Dealings	Declarations	Last Dealings	Account Day
July 12	July 22	July 23	Aug. 3
July 26	Aug. 5	Aug. 6	Aug. 17
Aug. 9	Aug. 19	Aug. 20	Sept. 1

* "New time" dealings may take place from 5 p.m. three business days earlier.

Leading equities staged a good rally in the later trading yesterday on a renewal of buying, some of which was for "new-time" after 5 p.m. in respect of the new Account beginning next Monday. For the greater part of the day, however, dull conditions prevailed. A large part of the fall was technical as professional operators, who bought at the top of the market on Monday, became nervous owing to the lack of follow-through by genuine investment buyers. Together with a fair amount of profit-taking prices came back quite sharply in places. This was mirrored in the Financial Times Industrial Ordinary share Index which, with EMI down 9p more at 131p, recorded a fall of 7.6 at 2.45 p.m. The late rally, however, reduced the loss at the close to 4.5 at 404.4.

Second-line issues fared very little better than the leaders and falls led rises in all F.T.-quoted Industrials in the ratio of six-to-four; on Tuesday rises were in command by two-to-one. Bargains marked also fell away to 14,022 compared with 15,909 on Tuesday and 16,317 on Monday.

Australian nickel exploration issues took a tumble on profit-taking and a lack of buying interest. CAST lost 27p to 220p, while Selection Trust reacted 40p to 715p. Poseidon drifted back further to go below the £10 mark for the first time since early October, 1969; the close was 75p down at 950p, after 912½p.

Gilts fluctuate

Following the previous day's setback, British Funds moved erratically. Interest was mainly in the mediums and longs which moved up by ⅛ to ¼ in the earlier dealings before reacting to their overnight levels and then improving again to end the day with gains ranging up to ⅛. Short-dated stocks eased further with the old short "tap" Exchequer 6½ per cent., 1976, notable for a further fall of ⅛ at 98¾. Corporations made a better showing in line with the main Funds, while Southern Rhodesians closed up to 3 points better on unsatisfied professional buying in a market short of stock.

With few investment dollars on offer, a continuing small demand took the premium up ⅜ more to 23¼ per cent. Among Dollar stocks, Chrysler improved ⅜ further to £14¼, still on the unexpected recovery in second-quarter earnings.

Allied Polymer Group made a fairly lively debut, opening at 82p and easing back to 77p before closing at 79p; the offer for sale price was 75p.

Banks react

Home Banks were again very active but, following the recent sharp rise, profit-takers had the upper-hand and, apart from National Westminster, which rose 5p more to 580p, reactions of 10p to 16p occurred. Midland, eased 16p down at 530p. In Overseas issues, Lloyds and Bolsa came back 21p to 365p after the interim figures. An otherwise easier Merchant Bank section was featured by a fresh advance of 25p to 440p in Keyser Ullmann. Hire Purchases lost further ground in quiet trading, with UDT, 190p, and Mercantile Credit, 186p, both ending about 7p lower. Insurances met with profit-taking and often receded. "Royals" dipped 9p to 395p and Pearl 6p to 266p, while General Accident were 5p off at 177p. Brokers provided firm exceptions in Sedgwick Collins, 10p up at 235p, and Leslie and Godwin, 7p better at 412p.

Breweries made a dull showing, but closed a shade above the worst. On the bid front, there was good activity in Watney Mann, which moved between extremes of 115p and 113½p and closed 1p down on the day at 116p. IDV ended unaltered at 73p, as did Truman-Hanbury at 416p, but Grand Metropolitan Hotels gave up 1p at 192p. Elsewhere, Distillers finished at 158p, down 5½p, after 156p.

Taylor Woodrow met with profit-taking and came back 11½p to 306p following Tuesday's rise of 32½p on the almost doubled half-yearly profits. A. P. Cement eased 4p to 360p, while losses of 8p were seen in R. Costain, 162p, and Geo. Wimpey, 162p. Also dull were Marchwiel, 4p off at 243p. Vanguard Plant shed 1p to 15p on news of the bid from Harvey Plant which were 4p lower at 149p. In contrast, Phoenix Timber jumped 21p to 59p on the property revaluation. Kennedys improved 5p to 140p on the sharply higher first-half profits and the scrip issue proposal.

I.C.I. rallied to close unchanged on balance at 309p, after, 305p.

Granada "A", 398p, and British Lion, 61p, improved 8p and 13p respectively.

EMI dip further

Electricals took on an easier appearance. EMI remained a particularly depressed market on the dividend warning and, after Tuesday's 28p drop, dipped further to 126p, before finishing 9p lower on the day at 131p after an active business. GEC ended 3p off at 146p, after 144p, and Plessey finished similarly lower at 112p, after falling afresh to 109p, both following a good turnover. Robinson Rentals, 480p, and Electrocomponents, 270p, relinquished 10p apiece, while BSR gave up another 7p at 353p. Ever Ready declined 6p to 223p. Thorn, however, improved 5p further to a new peak for the year of 380p in anticipation of to-day's expected results. AB Electronics were notably better at 87p, up 7p, while Crabtree Electrical rose 10p to 153p.

In an irregular Stores sector, "Gussies" "A" fell 4p to 418p, after 416p, but Marks and Spencer closed a shade harder at 445p, after 441p. Forbuoys jumped 10p to 290p, while other firm spots included Bolton Textile, 3p better at 41p, Maxim ½p higher at 6½p, and House of Sears, ½p to the good at 12½p. Jas. Walker were 1p up at 31p following Press comment. On the other hand, British Home Stores fell 10p to 246p, while Currys, 265p, and Debenhams, 222p, lost 7p to 5p respectively. Mail Orders were also easier. Falls of around 6p were seen in Empire Stores, 306p, Freeman's (London), 144p, and Grattan Warehouses, 290p.

Engineerings suffered an early technical reaction, but in many cases prices recovered later as fresh demand came in. Adverse Press comment hit Tube Investments and Guest Keen particularly hard; the former fell to 424p before closing 17p down on the day at 433p, while the latter lost 11p at 413p, after 402p. Sheepbridge, 89p, Universal Grinding, 103p, and Babcock and Wilcox, 266p, all gave up 6p. Tecalemit dipped to 93p on news of the action for damages by Siebe Gorman, but rallied to close only 2p down at 98p. Profit-taking after the good results lowered Mitchell Somers 1½p to 22½p. Mining Supplies, 168p, and Lead and Alloys, 156p, both jumped 10p, while London and Midland Industries rose 7p to 80p following an investment recommendation. On the U.S. acquisition, ICA gained 5p at 138p and, in Machine Tools, Wadkin spurted 15p to 140p.

Rank Org. lower

Press comment on the interim results prompted a fair amount of activity in Rank Organisation issues; the "A" shares ending 27p off at 843p, after 822p, and the Ordinary finishing 25p lower at 745p, after 720p. Wharf Holdings fell 13p to 227p following news that any offer made by Sterling Guarantee would not be significantly in excess of the average price paid for the shares already acquired. United Gas responded to the forecast of a considerable improvement in earnings, with a rise of 6p to 64p. Booker Bros. ended 2p up at 96p, after 100p; a spokesman stated yesterday that no bid talks were in progress, but that a statement regarding the Sheppey Trust deal could be expected in about a week.

Foods were generally easier on the promise from food manufacturers to restrain prices. Allied Suppliers shed 2p to 252p, after 250p, while falls of 3p were seen in Tate and Lyle, 156p, and Ranks Hovis, 126p. Spillers eased 1p to 51½p, while J. B. Eastwood, 64p, and Fitch Lovell, 31p, came back around 3p apiece. On the bid front, Bovril improved 6p more to 270p, while Rowntree Mackintosh closed 1½p firmer at 509p on the profits forecast. Cavenham, in contrast, declined 2p to 92p. In dull Supermarkets, Wheatsheaf, 132p, and Kwik-Save, 195p, lost 4p apiece.

Following adverse Press comment, and ahead of Monday's interim results, Trust Houses Forte lost 9p more at 117p.

The Motor sections were less spectacular, but remained firm. York Trailer responded to the interim results and statement with a 4p rise to 118p, after 120p, and in Components, Automotive Products gained 40p more at 690p. Dunlop, however, lost 4p at 141p after an initial fall to 139p. Firm spots in Garages included ARV Holdings, a further 4p higher at 37p following expectations of a recovery in the company's fortunes. Lex Service gained 5p at 230p. Hawker Siddeley improved further in Aircrafts, closing 6p up at 220p.

Properties closed mixed, but there were firm features in McKay Securities, up 10p more at 102p, still on the proposed free issue of Capital shares, and in Grendon, which rose 4p further to 83p. Grand Junction slipped to 120p before rallying smartly to 127p and closing a net 2p higher at 125p; bid speculation engendered most of the demand. End-Account profit-taking lowered British Land 2½p to 132½p.

Newspapers held their recent advances and, following news of the debenture issue, Bristol Post hardened 1p to 65p. Leading Papers recovered early losses to end unaltered on the day, while Geers Gross put on 2p at 85p in response to the nine-months' results.

Oils dip and rally

A late return of buyers caused sellers of Oil shares to withdraw and prices gradually regained earlier lost ground to close higher on the day. British Petroleum ended 2p up at 615p, after 608p, and Shell 3p better at 411p, after 403p. Burmah traded down as low as 445p, but picked up to finish 3p firmer on balance at 456p, while the Warrants closed 1p harder at 162p, after having been down to 150p. Australian issues succumbed further, with Woodside another 3p lower at 44p.

Among Trusts, Triumph reacted to 209p, but then improved to 215p for a rise of 1p on the day. Property Investment and Finance stood out with an improvement of 14p at 160p, while "Ediths," after Tuesday's 15p gain, added 5p more at 500p. Among easier Financials, Drakes, at 163p, lost 9p of the recent good rise. IOS Management declined another 5p to 110p. Armour Trust rose anew to a new 1971 "high" of 50p, but came back later to 44p, off 2p on the day. Austim were quoted ex the "rights" offer at 54p, with the new at 7p premium.

Cunard higher

Cunard were once more the centre of attraction in an otherwise quiet and narrowly mixed Shipping market. With the Cunard Board's response to the Trafalgar House offer still awaited, Cunard rose 5p further to a new 1971 peak of 200p, virtually level with the bid value.

Tobaccos presented an irregular appearance at the House close. Following the interim results a good two-way business took place in "Imps" and, with buyers gaining the upper hand late, the price ended 1p to the good at 95p.

Textiles gave ground. Allied fell 2p to 67p on the lower half-year profits, while Textured Jersey shed 6p to 150p after the results. Against the trend, Hugh Mackay were firm again at 62p, up 2p, while fresh demand developed for Haighton and Dewhurst, 4p higher at 17p.

Agnew shake-out

The feature of an otherwise quiet Mining share market was the sharp setback which occurred in prices of companies with interests in the Western Australian Agnew nickel discovery. Following Tuesday's drilling results, no further news was given at yesterday's Selection Trust meeting and in its absence profit-taking lowered shares of the latter 40p to 715p. CAST were 27p down at 220p and Selcast Exploration dropped 24p to 70p.

Other Finance issues were generally easier, although continued local buying held Anglo American steady at 349p. Charter fell 9p to 262p in sympathy with the Selection Trust holding. De Beers ended 2p off at 210p after 207p while RTZ were 5p down at 237p after 235p.

Widespread losses in Australian issues reflected the overnight trend "down-under." Poseidon fell to a year's low of 912½p at one stage before closing 75p cheaper at 950p; this was the first time that the shares have fallen below £10 since October 1969, the peak since then being £124. Bougainville gave up 10p at 98p, while Metals Ex. (263p), Whim Creek (172p) and Hampton Areas (121p) all fell 7p. Western Mining closed 1p off at 173p after touching 175p following the latest quarterly report.

Gold shares were little affected by the further rise in the metal price to $41.15 per ounce. West Driefontein fell 10p to 915p but Hartebeest added 5p at 200p.

Tara Exploration weakened to 605p at one stage before recovering to close 30p lower on balance at 815p on some Canadian interest. Similarly Barymin were only 4p off at 55p after 49p. Northgate ended 30p down at 465p.

FINANCIAL TIMES STOCK INDICES

—	July 21	July 20	July 19	July 16	July 15	July 14	A Year ago
Government Sec.	74.97	74.93	75.44	75.74	75.49	75.53	69.60
Fixed Interest	74.64	74.53	74.75	74.77	74.59	74.46	71.13
Industrial Ordinary*	404.4	408.9	413.1	410.0	406.2	403.6	335.2
Gold Mines	53.2	53.3	55.5	59.6	52.4	62.3	49.9
Ord. Div. Yield pc.	3.61	3.77	3.74	3.76	3.91	3.95	5.00
Earnings Yield pc (a)	5.88	5.81	5.77	5.21	5.97	5.93	6.93
P/E Ratio (a)	17.01	17.21	17.53	17.93	17.05	16.96	14.63
Dealings Marked	14,092	15,209	16,917	14,490	15,051	13,921	7,939

*10.30 a.m. 405.2 Noon 409.6 2.45 p.m. 401.3

(a) Based on 40% corporation tax from March 30, 1971. Latest Index 01-246 [illegible]

HIGHS AND LOWS

—	1971 High	1971 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	76.74 (16/7/71)	68.83 (4/1/71)	127.4 (9/1/35)	64.21 (11/6/69)
Fixed Int.	74.77 (16/7/71)	62.63 (4/1/71)	150.0 (28/11/47)	67.12 (11/6/69)
Ind. Ord.	413.1 (19/7/71)	305.3 (3/3/71)	521.9 (19/9/68)	42.4 (26/6/40)
Gold Mines	61.3 (15/5/71)	52.3 (19/7/71)	100.0 (12/9/55)	44.0 (15/1/70)

S.E. ACTIVITY

—	July 21	July 20
Daily—		
Gilt-Edged	170.5	211.2
Industrials	548.6	608.4
Speculative	170.9	151.2
Totals	519.9	362.1
5-day ave—		
Gilt-Edged	211.2	216.0
Industrials	558.3	552.4
Speculative	169.9	180.3
Totals	338.?	[illegible]

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. S.E. Activity July-Dec. 1942. ‡ Corrected figure.

OFFSHORE AND OVERSEAS FUNDS (p★★★)

Albany Management Co. Ltd. Utility Hs. PO Box 463, Hamilton, Bermuda. Albany Fund Ltd. £4.91 £5.50 ..... 1.00

American Express Inv. Mngmt. Co. 154, Edward St., Brighton, U.K. BRI. 885411. Am. Ex's Int. Fd. $9.19 2.79 -0.02 —

Eurosyndicat Group Kurunion Lux F. 1.866 1.261 ..... 3.21; Finance Union Lux F. 540 569 ..... 3.02. For Sterling Dealing Prices contact London Agents N.M. Rothschild & Sons, Ltd., 626 4356, NOI Samuel & Co. Ltd. 628 8011.

Investors Diversified Services Bertigny 9, Fribourg C.H. Tel. 2-25-281. CARIBICO N.V. $10.55xd ..... —

Jardine Fleming & Co. Ltd. 22, Pedder Street, Hong Kong.

Save & Prosper Distributors Ltd P.O. Box 1434, Hamilton, Bermuda. *Dollar Fund £6.07 5.54 ..... —; Hampstead £5.75 7.38 ..... —; *Monitor £4.66 5.09 -0.04 —; N. & P. J. J. P. [illegible] $13.56 14.81 ..... —; *Sterling Fund £4.30 4.70 ..... —. Prices on July 19. Next dealing July 2[illegible]. Prices on July 21. Next dealing July [illegible].

[illegible]

AUTHORISED UNIT TRUSTS (p★★★)

(a) (g) Abacus Management — 26, Pall Mall, Manchester 2. (061) 832 5027

(a) (b) (c) Equity & Law Un. Tr. M. — Amersham Rd., High Wycombe, Bucks.

(a) Mallet & Wedderburn Ltd. — 82, Lombard Street, E.C.3. 01-626 1061

J. Henry Schroder Wagg & Co. L't'd. — 120, Cheapside, E.C.2. 01-588 4000. Capital (July 20) 105.5 108.6 ..... 2.04

[illegible]

INSURANCE, PROPERTY, BONDS

[illegible]

STOCK EXCHANGE DEALINGS from the Official List for July 21

Wednesday, July 21	14,022	Monday, July 19	16,617	Thursday, July 15	13,051
Tuesday, July 20	15,909	Friday, July 16	14,490	Wednesday, July 14	13,921

The list below gives the prices at which bargains done yesterday by members of the London Stock Exchange were recorded in the Stock Exchange Daily Official List. Members are not obliged to mark bargains except in special cases, and the list cannot, therefore, be regarded as a complete record of prices at which business was done.

Bargains are recorded in the Official List up to 2.15 p.m. only, but later transactions can be included in the following day's Official List. No indication is available as to whether a bargain represents a sale or purchase by members of the public. Markings are not necessarily in order of execution, and only one bargain in any one security at any one price is recorded.

The number of dealings marked in each section follows the name of the section. Unless otherwise denoted shares are £1 fully paid and stock £100 fully paid. Stock Exchange securities are quoted in pounds and fractions of pounds or in new pence and fractions of new pence.

‡Bargains at Special Prices. Δ Bargains done with or between non-members. ⊕ Bargains done previous day. § Bargains done with members of a recognised Stock Exchange. ♣Bargains done for delayed delivery or "no buying-in." $A—$Australian; $B—$Bahamian; $C—$Canadian; $HK—$Hong Kong; $J—$Jamaican; $Ma—$Malayan; $Me—$Mexican; $NZ—$New Zealand; $S—$Singapore; $US—$United States; $WI—$West Indian.

هكذا من الأصل

Rhod. & E. African (56)

South African (144)

West African (7)

Diamond (156)

OIL (294)

PROPERTY (435)

RUBBER (97)

SHIPPING (156)

TEA & COFFEE (11)

TRAMWAYS & OMNIBUS (3)

WATERWORKS (6)

SPECIAL LIST

JULY 21 (1)

RULE 163 (1) (e)

Bargains marked under Rule 163 (1) (e) in securities for which quotation has not been granted and which are not recorded in the Official List.

JULY 21

ERRATA

CORAL INDEX
Close 403-408

SHARE INFORMATION SERVICE: NOTES

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of The Financial Times, The Institute of Actuaries and the Faculty of Actuaries in Edinburgh

	EQUITY GROUPS / GROUPS & SUB-SECTIONS (Figures in parentheses after sectional names show number of stocks)	Wednesday, July 21, 1971: Index No.	Day's Change %	With 40% Corporation Tax: ††Est. Ern'ngs yield %	With 40% Corporation Tax: ††Est. Price Er'n'ngs Ratio	Div. yield %	Tues. July 20: Index No.	Monday July 19: Index No.	Friday July 16: Index No.	Thurs. July 15: Index No.	Year ago (approx): Index No.	1971 High	1971 Low	Since compilation High	Since compilation Low
1	CAPITAL GOODS GROUP (184)	153.15	—0.8	6.16	16.94	3.88	154.39	161.50	160.09	147.47	114.13	154.39	104.03	191.50	82.82
2	Aircraft and Components (3)	108.94	—0.3	7.52	13.31	5.73	109.27	106.26	102.54	102.22	92.00	109.27	96.40	250.12	66.40
3	Building Materials (29)	155.00	—1.0	4.27	20.15	3.47	157.46	167.66	158.56	154.13	98.65	157.52	98.50	167.90	95.01
4	Contracting and Construction (19)	226.07	—0.1	6.07	16.46	2.52	225.32	221.49	220.42	217.15	190.38	226.33	152.65	293.10	84.59
5	Electrls. (ex. Elctrn. Rad. & TV) (13)	264.45	—1.9	0.29	18.98	3.11	260.67	265.86	964.26	257.49	178.30	260.67	174.23	355.11	84.71
6	Engineering (80)	144.31	—0.8	5.66	16.03	4.29	145.54	140.67	139.02	136.76	111.06	145.54	102.56	160.65	62.90
7	Machine Tools (15)	64.59	—0.4	7.67	13.03	6.90	64.82	62.08	61.18	59.50	65.28	64.92	43.86	136.70	43.96
2	Miscellaneous (25)	129.03	+1.8	2.05	19.42	4.56	197.58	125.76	125.03	123.17	113.70	120.03	94.10	144.27	69.01
9	CONSUMER GOODS (DURABLE) GROUP (56)	164.79	—0.9	5.26	10.05	3.09	166.80	163.00	161.68	158.40	127.36	196.20	117.33	197.87	79.96
10	Electronics, Radio and TV (14)	179.46	—0.5	5.07	17.65	8.46	173.31	170.43	170.46	167.90	138.54	174.91	128.51	190.86	71.10
11	Household Goods (15)	186.02	—0.1	6.14	16.80	3.56	186.20	170.17	177.88	173.73	122.02	126.20	115.22	196.20	86.65
12	Motors and Distributors (27)	113.28	—1.6	4.49	22.28	3.71	114.99	115.04	111.00	108.28	27.31	114.99	72.91	170.59	75.92
13	CONSUMER GOODS (NON-DURABLE) GROUP (175)	180.01	—1.4	5.66	19.01	3.79	163.25	164.32	164.68	162.56	115.43	164.68	118.17	164.68	83.71
14	Breweries (21)	184.92	—1.3	6.91	19.94	3.43	197.31	194.02	193.62	194.97	110.56	194.97	123.30	194.97	80.39
16	Wines and Spirits (7)	174.91	—3.3	5.96	16.77	4.00	180.82	183.14	166.91	190.92	130.51	196.05	142.41	196.05	112.72
16	Entertainment and Catering (15)	200.93	—2.2	7.19	14.04	3.86	206.11	914.17	214.30	213.24	173.23	214.39	177.99	251.89	80.11
17	Food Manufacturing (24)	138.92	—1.7	6.70	17.53	3.06	141.40	141.52	141.06	139.16	101.02	141.52	99.74	171.54	95.98
19	Food Retailing (17)	135.54	—1.0	6.55	18.01	3.64	136.98	137.30	137.19	135.86	96.17	137.30	100.23	163.68	94.62
19	Newspapers and Publishing (15)	138.64	+0.6	6.29	16.25	0.12	137.79	136.12	134.93	131.49	107.94	138.64	101.66	184.66	91.74
90	Packaging and Paper (16)	118.07	—0.6	6.02	15.33	4.40	218.79	116.15	114.24	112.73	100.68	119.70	99.91	134.63	97.91
21	Stores (30)	154.53	—1.3	4.41	22.68	3.01	156.58	155.49	156.45	152.12	100.50	156.58	104.48	156.58	72.74
22	Textiles (21)	197.08	—2.5	6.92	18.89	6.41	171.68	169.69	170.67	167.16	131.93	171.69	137.91	255.72	89.90
23	Tobacco (3)	247.41	+1.1	8.61	11.68	5.37	244.68	252.36	252.21	244.91	193.41	962.21	170.92	305.02	94.34
24	Toys and Games (6)	50.30	—0.2	—	—	6.07	50.66	50.81	50.11	49.48	69.76	69.03	46.56	135.72	46.56
	OTHER GROUPS														
96	Chemicals (19)	194.37	—1.8	6.46	12.31	3.27	186.61	186.23	188.22	184.65	131.08	188.29	138.19	201.92	83.29
96	Office Equipment (10)	200.10	—2.7	3.45	28.97	1.60	205.68	206.08	216.05	211.22	123.66	219.05	159.52	212.05	109.12
27	Shipping (10)	300.94	—0.3	7.65	13.07	5.48	301.70	300.02	301.19	297.49	297.40	325.75	269.76	355.44	90.80
28	Miscellaneous (unclassified) (44)	183.52	—1.1	5.90	16.99	3.75	186.69	183.74	186.44	180.29	127.43	186.62	128.55	186.62	76.52
20	INDUSTRIAL GROUP (498 SHARES)	165.76	—1.2	2.62	17.72	3.66	127.82	167.96	127.44	164.79	—	167.92	120.61	167.82	120.61
30	Oil (2)	353.53	—0.4	5.79	17.47	3.54	354.90	359.55	322.16	360.27	244.35	362.16	260.74	431.86	37.23
31	500 SHARE INDEX	191.97	—1.1	5.64	17.73	3.64	193.68	183.64	183.98	191.82	130.95	183.92	132.46	193.73	84.56
32	FINANCIAL GROUP (121)	169.64	—1.2	—	—	2.77	171.27	169.03	167.91	164.40	106.01	171.67	119.73	171.67	69.58
33	Banks (6)	178.61	—1.4	7.72	12.95	2.80	181.11	171.06	166.62	162.03	94.32	191.11	101.65	181.11	69.25
34	Discount Houses (6)	170.53	—0.4	—	—	4.65	171.29	170.14	166.09	191.36	110.98	171.29	190.72	171.28	97.65
36	Hire Purchase (6)	262.68	—1.4	4.09	24.43	2.88	266.31	266.59	264.81	258.49	191.06	226.59	168.67	286.69	90.02
36	Insurance (Life) (9)	152.76	—1.4	—	—	2.84	154.86	154.36	155.17	152.10	117.68	155.17	123.16	150.93	61.35
37	Insurance (Composite) (9)	132.01	—1.5	—	—	6.23	134.07	192.63	139.84	130.46	77.13	134.07	92.80	134.07	54.40
38	Insurance (Brokers) (10)	174.91	+0.4	6.01	10.95	2.48	174.14	174.77	174.91	171.64	102.21	174.91	112.27	174.01	82.59
39	Investment Trusts (20)	196.22	—0.9	2.90	34.61	2.70	197.96	197.75	198.14	194.58	137.73	108.14	152.16	215.04	80.94
40	Merchant Banks, Issuing Houses (15)	160.22	—2.4	—	—	2.96	173.43	172.68	170.43	168.36	102.27	173.43	108.44	191.25	50.47
41	Property (31)	207.06	—0.4	2.79	35.89	2.20	207.86	207.29	206.87	204.56	139.30	907.86	139.37	207.96	56.01
42	Miscellaneous (9)	176.66	—1.2	6.80	17.25	4.19	172.93	177.90	171.42	167.31	—	172.93	120.73	179.08	120.06
43	ALL-SHARE INDEX (621 SHARES)	176.58	—1.1	—	—	3.44	180.59	179.83	179.21	177.01	124.73	180.59	129.47	180.97	83.72
	COMMODITY SHARE GROUPS (Not included in the 500 or All-Share indices)														
44	Rubbers (10)	210.75	—0.6	10.87	9.20	8.40	211.88	211.66	210.93	209.82	134.72	211.88	163.62	211.88	84.68
42	Teas (10)	90.39	—0.9	19.89	5.22	8.88	90.61	90.22	20.67	01.08	75.21	91.08	72.71	114.64	69.96
46	Coppers (4)	332.50	—1.6	52.44	1.21	14.60	343.88	344.60	348.86	349.44	268.12	360.50	235.90	350.60	24.08
47	Mining Finance (11)	103.27	—1.2	6.48	18.24	3.31	104.56	105.34	106.26	106.36	112.91	106.70	96.00	175.90	96.00
46	Tins (8)	74.39	—0.2	10.68	2.36	8.44	74.77	74.65	74.21	74.46	67.53	74.77	62.11	108.07	34.83

	FIXED INTEREST	Wednesday July 21: Index No.	Wednesday July 21: Yield ‡	Tues. July 20	Monday July 19	Friday July 16	Thurs. July 15	Wed. July 14	Tues. July 13	Year ago (approx)	1971 High	1971 Low	Since Compilation High	Since Compilation Low
1	Consols 2½% yield	—	0.15	0.12	9.04	8.99	9.03	2.03	0.03	2.26	—	—	—	—
e	20-yr. Govt. Stocks (6)	70.16	12.22	79.06	60.06	80.68	80.10	80.21	80.26	72.75	80.68	70.60	116.42	68.43
3	20-yr. Red. Debentures & Loans (15)	72.42	10.20	72.43	72.44	72.40	72.32	72.40	72.19	68.32	72.44	68.48	113.43	66.59
4	Investment Trusts Prefs. (15)	69.23	10.66	69.23	69.93	69.61	68.41	68.41	68.41	70.32	60.38	66.23	114.41	66.25
6	Commercial and Industl. Prefs. (20)	74.33	10.39	74.91	74.16	73.76	73.06	73.00	72.64	74.76	74.33	60.02	114.41	69.02

Section or Group	Base Date	Base Value
Food Manufacturing	29/12/67	114.13
Food Retailing	29/12/67	114.13
Insurance Brokers	29/12/67	96.67
Mining Finance	29/12/67	100.00
Wines and Spirits	16/1/70	144.76
Toys and Games	16/1/70	135.72
Office Equipment	16/1/70	162.74
Industrial Group	31/12/70	128.20
Miscellaneous Financial	31/12/70	120.06
All Other	10/4/62	100.00

‡ Redemption yield.

F.T.-Actuaries indices are calculated by Extel-Communications Limited (a member of the Exchange Telegraph Group) on an IBM 360 computer.

A current list of constituents of the F.T.-Actuaries Share Indices can be obtained from the Publisher, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p. By post inland 16p. Commonwealth 16p. Foreign 19p.

CONSTITUENT CHANGES: The following stocks have been reclassified:

Stock	Old Classification	New Classification
Storey Bros.	Textiles	Misc.-Unclassified
First National Finance	Merchant Banks	Hire Purchase
Slater Walker	Misc. Financial	Merchant Banks
Hawtin	Engineering	Misc. Financial
Portals	Packaging and Paper	Misc.-Unclassified

Nova (Jersey) Knit (Textiles) has been added.

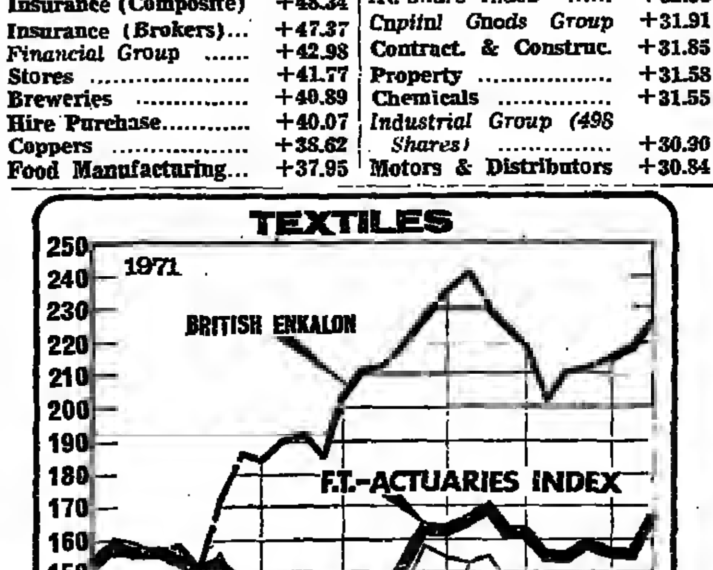
The All-Share and Financial Groups now have 621 and 121 constituents respectively.

LEADERS AND LAGGARDS

The following table shows the percentage changes* which have taken place since December 31, 1970, in the principal equity sections of the F.T.-Actuaries Share Indices. It also includes the F.T. Gold Mines index.

	Change %		Change %		Change %		Change %
Banks	+77.15	Tobacco	+33.82	Newspapers & Publish.	+29.99	Electronics, Radio and TV	+18.81
Building Materials	+52.13	Electricals (excl. Electronics, Radio & TV)	+33.01	*500 Share*	+29.30	Aircraft & Components	+17.36
Merchant Bks., Issuing Houses	+51.82	*Consumer Goods (non-Durable) Group*	+32.59	Discount Houses	+29.57	Entertain. & Catering	+14.87
Household Goods	+61.01	*All-Share Index*	+32.53	Food Retailing	+29.26	Packaging & Paper	+14.21
Insurance (Composite)	+48.34	*Capital Goods Group*	+31.91	Office Equipment	+29.08	Textiles	+13.46
Insurance (Brokers)	+47.37	Contract. & Construc.	+31.85	Rubbers	+28.14	Machine Tools	+10.55
Financial Group	+42.98	Property	+31.58	Engineering	+27.77	Teas	+ 6.16
Stores	+41.77	Chemicals	+31.55	*Consumer Goods (Durable Group)*	+26.72	Mining Finance	+ 1.26
Breweries	+40.89	*Industrial Group (498 Shares)*	+30.30	Wines & Spirits	+25.23	Gold Mines F.T.	+ 0.00
Hire Purchase	+40.07	Motors & Distributors	+30.84	Investment Trusts	+24.85	Shipping	— 1.67
Coppers	+38.62			Oil	+23.09	Toys & Games	—23.38
Food Manufacturing	+37.95			Insurance (Life)	+21.19		
				Tins	+20.73		

*Percentage changes based on Tuesday, July 20, 1971, indices.



With Textile manufacturers continuing to meet fierce resistance to price increases in the present over-supplied state of markets, the F.T.-Actuaries share index for Textiles is still languishing near the bottom of our Leaders and Laggards table. However, hopes of a recovery in consumer demand, made more possible by this week's mini-Budget, leaves the subsection standing 13½ per cent. up so far this year, but this is brought into perspective when compared with an improvement of 31 per cent. in the 498 Industrial Share Index.

These charts show the pattern of an F.T.-Actuaries index and of prices of two constituents converted to index numbers at weekly intervals over about six months, starting from the same base.

Option Report and three-month "Call" rates

OPTION DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
July 20	Aug. 22	Oct. 14	Oct. 26
Aug. 3	Sept. 5	Oct. 28	Nov. 9
Aug. 17	Sept. 19	Nov. 11	Nov. 23

There was a slight reduction in the amount of business transacted yesterday in the Option market. "Calls" were arranged in EMI, Berkeley Properties, Trinidad Canadian Oils, "Lofs," General Electric, Cadbury Schweppes, Star (G.B.), British Leyland, Associated Leisure, Burmah Oil, Woodside Oil, Reed International, Distillers, Imperial Tobacco, Woolworth, Shell Transport, ICI, Hambros Bank, English China Clays, De La Rue, Plessey and Spillers.

"Puts" were taken out in Rank Organisation "A", and Drakes, while double-options were completed in First National Finance, Thorn Electrical "A", GRA Property Trust, De Beers, BSR and Shipton Animation.

Prices in pence unless otherwise stated.

Industrials						Mines	
A. P. Cement	18	Guardian	14	Slater Walker	20	Anglo Amer.	25
Barclays Bank	25	Guest Keen	20	Tesco	5	Broken Hill Prop	62
Beecham	12	Hawker Sidd.	17	Thorn 'A'	20	Charter Cons.	22
Boots Drug	11	Hay's Wharf	20	Tube Invs.	22	Charterhall Fin.	6
Bowaters	15	House of Fraser	13	Unilever	20	Cons. Gold	17
B.A.T.	20	I.C.I.	14	Utd. Drapery	12	De Beers Def.	15
British Leyland	3	"Imps"	6	Vickers	7	F. S. Geduld	52
British Oxygen	6	I.C.L.	17	Woolworth	5	Great Boulder	20
Burton "A"	16	Int. Stores	7			Hampton Areas	15
Butlin's	3	Inveresk Paper	5	Property		Hampton Props.	9
Cadbury's	7	Jessel Secs.	25	Cap. Counties	12	Kloof	20
Courtaulds	10	Legal & General	29	Land Secs.	12	Lonrho	10
Cunard	16	Lloyds Bank	26	Peachey	7	Lorame	5
Debenhams	14	"Lofs"	7	Star. (Gt. Brit.)	10	Metals Explor.	26
Distillers	11	"Mams"	14	Town & City	10	Newmetal	3
Dunlop	16	Marks & Spencer	20	Town & Comm.	11	Poseidon	£2½
EMI	19	Metal Box	22			Pres. Steyn	15
Fisons	17	Midland Bank	22	Oils		Rio-T.Zinc	15
G.R.A. Trust	12	Nat West Bank	22	Brit. Petroleum	35	Welkom	12
Gen. Accident	11	P.&O. Defd.	16	Burmah Oil	33	West Areas	9
General Electric	9	Plessey	10	Oil Search	4	Western M'ng.	90
Glaxo	25	Ralli Intl.	11	Shell	25	Zambia Copper	7
		Rank Org. "A"	47	Ultramar	24		

NEW "HIGHS" AND "LOWS" FOR 1971

New "Highs," which were too numerous to name individually were attained by 192 securities and are listed below in their sub-sections. New "Lows" totalled 19.

NEW "HIGHS" (192)

CORPORATION LOANS (8)
COMMONWEALTH AND AFRICAN LOANS (3)
FOREIGN BONDS (3)
CANADIANS (4)
BANKS (6)
BUILDINGS (15)
CHEMICALS (1)
CINEMAS (3)
DRAPERY AND STORES (10)
ELECTRICALS (5)
ENGINEERING (19)
FOODS (8)
HOTELS (2)
INDUSTRIALS (42)
INSURANCE (2)
MACHINE TOOLS (1)
MOTORS (13)
NEWSPAPERS (7)
PAPER, PRINTING (2)
PROPERTY (8)
SHIPPING (1)
SHOES (3)
TEXTILES (2)
TOBACCOS (2)
TRUSTS (18)
TEAS (2)
MINES (1)

NEW "LOWS" (19)

FOREIGN BONDS (1)
Germ. Young 4½ pc
AMERICANS (1)
Kaiser Aluminium
ELECTRICALS (2)
EMI — Do. 5 pc Con. 1981
ENGINEERING (1)
Birmingham Pallett
HOTELS (1)
Tst. Hses. Forte
INDUSTRIALS (3)
Cons. Commercial — Venesta
Ind. Clrd. Cleaners
SHIPPING (1)
Lyle Shipping
UTILITIES (1)
Calcutta Trams.
MINES (8)
Union Con — New Broken Hill
Anglo-Am. Inv. — North Kalgurli
De Beers Old. — Poseidon
Gt. Boulder — Beralt Tin

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	27	4	17
Corpns. Dom. and Foreign Bonds	33	16	84
Industrials	307	491	917
Fincl. and Prop.	55	191	286
Oils	4	13	15
Plantations	4	14	71
Mines	11	60	102
Recent Issues	7	24	77
Totals	448	813	1,57[illegible]

ACTIVE STOCKS

Prices in pence except where otherwise indicated.

Stock	Denomination	No. of marks	Closing price	Change on day	1971 high	1971 low
Barclays Bank	£1	23	590	—10	602	327½
EMI	50p	22	131	—2½	189	126
Rank Organ. 'A'	25p	22	843	—27	960	667½
Tube Investments	£1	20	433	—17	450	304
CAST	25p	19	220	—27	273	57
Selcast	A$0.10	19	71	—24	94	36
Natl. Westminster	£1	17	580	+ 5	581	323½
Midland Bank	£1	16	530	—18	570	287½
Courtaulds	25p	15	119	— 4	176	107
Guest Keen	£1	13	413	—11	424	271
Imp. Chem. Inds.	£1	13	309	—	315	201
GEC	25p	14	146	— 3	152	90
Beecham	25p	13	331	— 4	356	225
Booker McConnell	50p	13	96	+ 2	101	68
Trust Hses. Forte	25p	12	117	— 9	151	117

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163 (1) (e) and reproduced to-day in Stock Exchange Dealings.

REGIONAL MARKETS

Profit-taking gave markets an easier appearance yesterday.

Bank of Ireland eased 3p to 375p on the Irish Exchange, where Irish Distillers lost 5p to 110p, Guinness shed 2p to 164p, as did Jefferson Smurfit to 98p. Carrolls declined 10p to 111p, Clondalkin Paper slipped 1½p to 52½p while Allied Gas at 97p, Britain Group at 17p, Hammond Lane at 128p and Youghal Carpets at 167p each shed 1p. Silvermines at 21p, Cement Roadstone at 69p and Goulding at 48½p each lost ½p. Glen Abbey put on 2p to 35p and Ryans Tourist Holdings were ½p better at 25p.

On the Midlands and Western SE, British Dredging at 76½p, G. B. Britton at 30p and UBM at 136p each dipped 1½p, while ORG at 145p and Lennards "A" at 14p were each lowered 1p. G. W. Sparrow were lifted 7p to 112p and Bowyers (Wiltshire) moved further ahead by 2p to 166p.

Mountstuart Dry Docks rose 2½p to 61p, while Aberthaw Cement at 148p and John Williams at 42p were each 2p firmer. John Bland were up 1p to 39p. Smith's Enterprises dropped 10p to 127½p, while Beechwood at 107½p, British Dredging at 78p and Fertleman at 25½p were each 2p easier. Delyn lost 1½p to 51½p.

Deritend Stamping at 206p and Evode at 132p were each 4p better, while Fordhams Holdings were raised 2½p to 37½p. Ductile Steel gave way 4½p to 145p.

On the Northern Exchange Lankaro Chemicals were lifted 10½p to 186p on the report, and good buying continued in Walmsley which rose 9p more to 93p. John Peters advanced 10p to 216p, but Grattan Warehouses were reduced by 7½p to 2[illegible] on profit-taking, while Empire Stores moved down 4p to 208p.

Allied Colloids were reduced 3p to 150p and Yorkshire Dyeware lost 2p to 191p. Farnell Electronics were 7p stronger at 204½p, Waddington "B" advanced 6p to 186½p on their figures, and Sanderson Kayser also gained 6p to [illegible] as did Jonas Woodhead to 17[illegible]. Allied Textiles were down 4p to 65p.

Adams and Gibbon put on 2p to 56p, as did Carliol Investment Trust to 196p, but Stanley Mil[illegible] shed 2p to 23½p.

Cromer Ringmills were absorbed at 55p, whilst Era [illegible] were mentioned around 18p and Peel Mills around 11½p. Se[illegible] group marked at 66½p, as [illegible] John Bright at 31½p and Ern[illegible] Scragg at 46½p. Barr and Wall[illegible] Arnold "A" were dealt in at 33[illegible] as were Humfray at 65p, Imperial Metals at 75p, Readicut at 4[illegible] Trident TV "A" at 54p and United Newspapers at 246p.

Davy Ashmore were up 2p at 55p, as were William Co[illegible] (Sheffield) at 30p, but Wa[illegible] Finance lost 1p to 137p.

On the Scottish SE, Bank of Scotland recovered 5p to 47[illegible] Wylie Hill added 1p at 38½p, wh[illegible] ½p gains showed in Howd[illegible] Group at 66p and Martin Bl[illegible] at 50p. Distillers dropped 5½p to 157p, House of Fraser shed 5p to 208p, John Brown eased 2½p to 139½p while William Baird at 146½p and Scottish Brewers at 438p each dipped 2p. Inveresk Paper were 1½p lower at 25p and Nairn Williamson eased 1p to 96p.

Prices in pence and denominations of 25p unless otherwise stated

BELFAST

IRISH EXCHANGE

NORTHERN EXCHANGE

SCOTTISH EXCHANGE

MIDLANDS & WESTERN

To-day's Events

PARLIAMENTARY BUSINESS:

House of Commons: Second day of a four-day debate on the Common Market White Paper. Remaining stages of the Prevention of Oil Pollution Bill (Lords) and the Tribunals and Inquiries Bill (Lords).

House of Lords: Pool Competitions Bill third reading; Licensing (Abolition of State Management) Bill, third reading; Housing Bill, second reading; Immigration Bill, committee; Lord Garnsworthy—debate on the balanced growth of towns which have agreed development plans to accommodate overspill from the Greater London area.

COMPANY MEETINGS

AMALGAMATED POWER ENGINEERING, Bedford, 12. (Chairman, Mr. R. F. Baity.)
CAFFYNS, Eastbourne, 3. (Chairman, Mr. S. M. Caffyn.)
COMMONWEALTH DEVELOPMENT FINANCE, 1, Union Court, E.C., 11.15. (Chairman, Sir George Bolton.)
COPE SPORTSWEAR, Leeds, 11. (Chairman, Mr. S. Cope.)
DAVIS (GODFREY), Crown House, N.W., 12. (Chairman, Mr. C. A. Redfern.)
DIMPLEX INDUSTRIES, Southampton, 12.30. (Chairman, Mr. E. J. Wade.)
DIXON (PETER), Connaught Rooms, W.C., 12.15. (Chairman, Mr. W. B. Dixon.)
EWER (GEORGE), 53, Stamford Hill, N., 3. (Chairman, Mr. H. G. Ewer.)
EXCHANGE TELEGRAPH, Extel House, E.C., 12.30. (Chairman, Mr. G. Benn.)
FALKLAND ISLANDS, Connaught Rooms, W.C., 11.30. (Chairman, Mr. M. C. Waldron.)
JEAVONS (E. E.), Tipton, 12. (Chairman, Mr. T. S. Ringrose.)
M. K. ELECTRIC, Winchester House, E.C., 12. (Chairman, Mr. F. D. O'[illegible] Newman.)
MAN-ABELL, Cheltenham, 2.30. (Chairman, Mr. B. S. Barlow.)
METAL BOX, Dorchester Hotel, 12.30. (Chairman Mr. A. W. Page.)
MOORE (W.) AND OSBORNE, Hinckley, 12. (Chairman, Mr. A. Faulks.)
MOUNT CHARLOTTE INVESTMENTS, Winchester House, E.C., 3. (Chairman, Mr. P. G. Williams.)
PHILLIPS PATENTS, Manchester, (Chairman, Mr. G. Bargrave.)
PROPERTY HOLDING AND INVESTMENT TRUST, 68, Bishopsgate, E.C., 12. (Chairman, Mr. D. Hewitt.)
ST. GEORGE RUBBER, 11, Sy[illegible] Street, E.C., 11.30. (Chairman, R. F. Adams.)
SEALED MOTOR CONSTRUCTION, [illegible]ton, 12. (Chairman Mr. P. Pensabe[illegible])
SENA SUGAR, Connaught Rooms, W.C., 12.30. (Chairman, Mr. J. D. Hornu[illegible])
SMITH AND WELLSTOOD, Edinburgh, 12. (Chairman, Mr. R. A. W. Caine)
TANJONG TIN DREDGING, 63, London Wall, E.C., 2.30. (Chairman, Mr. J. Chappel.)
VALOR, Waldorf Hotel, W.C., 12. (Chairman, Mr. M. Montague.)
WHEATSHEAF DISTRIBUTION AND TRADING, Brettenham House, W.C. (Chairman, Mr. S. H. W. Pumphrey)
YORKSHIRE DYEWARE AND CHEMICAL, Leeds, 12. (Chairman, Sir Do[illegible] Kaberry.)

SHOP DELIVERIES CONCERN

Concern at the effect on shop deliveries of the proposed ban on stationary vehicles within 20 yards of urban road junctions and the exit side of pedestrian crossings has been expressed to the Department of the Environment by the Freight Transport Association.

The association claims the measures, linked with existing restrictions would reduce the kerb space available for vehicle deliveries by an unjustifiable amount. It has asked for an early meeting with the department to discuss the proposals.

NEW SHIPPING SERVICE FOR U.K.—DENMARK

A new shipping service betw[illegible] the U.K. and Denmark has b[illegible] announced by Mr. Derek Johns[illegible] general sales manager of Syst[illegible] Interfreight.

Operated in conjunction w[illegible] Samson Transport Company, Copenhagen, the service will [illegible] the ports of Felixstowe, Harw[illegible] Hull and Newcastle in the U[illegible] and Esbjerg and Copenhagen [illegible] Denmark. There are nine saili[illegible] per week.

F.T. SHARE INFORMATION SERVICE

BRITISH FUNDS

1971 High	1971 Low	Stock	Closing Price £	+ or —	Gross Yield pc Int'rst £	Gross Yield pc Redemp-tion £
		"Shorts" (Lives up to Five Years)				
99⅝	97 1/16	Gas 3½pc '69-71	99⅝	......	3.51	8.48
100 7/16	99 5/32	Exchequer 6¾pc 1971	100 1/16	......	6.74	8.18
100¼	98	Conv. 8pc 1972	100¼ xd	......	9.99	5.52
98	96½	Gas 4pc 69-72	98⅜ xd	......	4.08	5.61
100⅝	96	Exchequer 6¾pc 1972	100 xd	......	9.21	9.69
101	95	Exchequer 9¾pc 1973	101⅛	......	6.86	5.76
95	92⅜	Electric 3pc '68-73	95	......	3.13	5.59
95	92¾	Transport 3pc '68-73	95	......	6.15	6.59
97	93⅞	Conv. 5½pc 1974	97	— 1/16	6.58	6.95
101	96	Treasury 6¾pc 1974	101	— 1/16	6.66	6.88
90	84	Saving 3pc '65-75	80 xd	— 1/16	5.35	6.79
92	88	Treas. 6% 1975	98	......	8.09	2.49
99⅛	95	Exch. 6½pc 1976	98⅛	—⅛	6.20	6.91
		Five to Fifteen Years				
96¼	94⅜	Victory 4pc 1976	99¼	......	4.16	6.35
99½	97¼	Funding 4pc '60-90	98	......	4.12	8.12
100½	95½	Treasury 6½pc 1976	96¼ xd	+¼	9.68	6.91
88	80	Electric 3pc 1974-77	87⅞	+⅛	3.46	6.76
99	81	Transport 4pc '72-77	97⅞	+⅛	4.57	9.40
91¼	82⅜	Exchequer 5pc '76-78	90⅝	+⅛	6.62	6.96
85½	75⅜	Electric 4¼pc '74-79	85	+¼	5.08	9.82
80½	70¼	Do. 3½pc '76-79	78½	+¼	4.44	6.88
78½	69½	Treasury 3½pc '77-80	78¼	+¼	4.49	6.88
77⅝	76⅜	Funding 5¼pc '78-80	87¾	+¼	6.01	7.22
76⅜	67¾	Treasury 3½pc '79-81	76¾ xd	+¼	4.60	6.99
104	92⅜	Do. 8¼pc '80-82	102¼	+¼	8.39	9.15
85⅞	71	Funding 5½pc '82-84	83	+¼	6.63	7.65

Over Fifteen Years

Undated

INTERNATIONAL BANK

CORPORATION LOANS

COMMONWEALTH AND AFRICAN LOANS

PUBLIC BOARD AND OTHER LOANS

Corporation Short-dated Bonds

FOREIGN BONDS & RAILS

London U.S. Dollar and DM Issues

AMERICANS

S.E. List Premium

CANADIANS

1971 High	1971 Low	Stock	Closing Price p***	+ or —	Div. & or amount	Times covered	Gross Yield pc
440	310	Abitibi Paper	340	......	—	—	—
800	700	Bk. Montreal ($2)	775	......	75c	†—	4.1
£14¾	£10½	Bk. Nova Scot. ($2)	£12⅞	......	78c	—	8.5
£14¼	750	Bow Valley	£13½	+½	—	—	—
980	755	Brascan	290	—10	$1.0	—	4.4
361	285	B. P. Oil & Gas	361	+1	—	—	—
£13¾	943¾	Can. Imp. Bk. ($2)	£11¼	......	69c	†—	2.9
£35	£30	Can. Pacific ($25)	£31½	+1/16	$3.25	—	4.3
125	83¾	4pcN. Cum. P. ($3)	108	......	4	—	4.6
£41¾	£37	4pc Deb. (£100)	£41½	—¼	4	—	9.8
620	415	Cons. Bathurst	420	+6	♦$1	—	2.2
20½	10	Cordwell Int.	12	......	—	—	—
£12⅝	£10	Gulf Oil Can.	£12⅝	+¼	57½c	—	1.9
166	100	Hawker Sid. Can.	166	+6	—	—	—
£20	£17¾	Hollinger ($5)	£20	......	$1.20	—	8.5
£10⅛	735	Hudson's Bay	£10	+½	48c	—	2.9
£23	£18⅝	Hud. B. Oil G. ($2½)	£23⅝	......	50c	—	0.2
996	765	Inasco	975	+5	80c	—	3.4
£13¼	920	Imperial Oil	£13¼	+¼	62½c	—	1.7
650	538	Int. Nat. Gas $1	645	—5	50c	—	3.3
£22	£17	Int. Nickel	£17	—⅛	$1.40	†—	3.4
603	430	Massey Ferg.	530	+15	$1	—	1
£17	£15½	Pacific Petrol ($1)	£17	+½	30c	—	0.7
80	58¾	Place Gas ($1)	70	+2	—	—	—
£11	760	Rio Algom	767	—8	40c	—	2.1
£13¾	£11	Royal Bk. Can. ($2)	£13	......	88c	†—	2.7
146	96	Steep Rock ($1)	100	......	15c	—	5.2
£15¼	846	Tor. Dom. Bk. ($2)	£12	......	68c	†—	2.2
£17½	£14¾	Trans. Can. Pipe ($1)	£16½	+⅛	$1	—	8.5
£15½	£10⅝	Westcoast	£13½	......	50c	—	1.6

S.E. List Premium 23¼% (based on $2.4686 per £)

BANKS AND HIRE PURCHASE

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER & ROADS

BUILDING INDUSTRY—Continued

1971 High	1971 Low	Stock	Closing Price pence	+ or —	Div. % or amount	Times covered	Gross yield %	P/E Ratio
14½	11¼	J.B. Holdings 5p	14½	......	17½	2.5	5.0	6.7
31	11	Jackson (DT) 10p	23	......	17½	♦	7.0	♦
93	46	Janes (H.C.)	93	+1	19	1.9	4.8	10.9
97	59	Jarvis (J.)	96	—2	22½	2.0	8.0	8.6
34¼	30	Jenkins (T) 10p	33	......	d17	1.9	5.1	10.5
65	47½	Jennings S.A. 0.50	64	......	†Ar10	3.6	3.6	7.7
298	152½	J'hns'n Ried 50p	298	+3	12	♦	6.0	♦
27½	22	Jones Edwd. 10p	24	......	27½	1.7	12.2	4.9
44½	30	Kelz'r V'nsta 20p	36 xd	......	15	1.1	8.6	11.0
16	9	Kenkast 10p	18	......	d7½	1.1	8.0	19.6
140	73¾	Kennedys's	140	+5	22½	1.7	4.1	14.7
134	76¼	Kier (J.L.)	135	......	†d22½	2.2	4.2	10.9
62	32½	Lafarge	42	......	8.4	0.9	5.0	21.4
112	70	Laing (John) 'A'	119	......	A9	2.4	1.9	22.0
210	150	Latham Jas. (£1)	210	......	12	♦	5.9	♦
136	104	Lead Inds Gp 50p	116	+2	11	1.9	4.7	11.0
36	23	Leaderflush (20p)	35	......	d10	0.6	5.7	20.7
54	25¼	Leyland Paint	53	......	8½	1.7	3.9	14.9
79	67	Lilley (F.J.C.)	88	......	A12	2.1	4.4	10.8
30	12½	Limmer Hdg.	20	......	1	—	1.2	—
94½	83¾	London Brick	90½	—1½	16	1.5	4.1	15.4
172	92½	Lovell (Y.J.) (£1)	172	......	10	1.4	5.8	12.4
94	29½	McLean (J.) 20p	60	......	†A16½	2.1	5.6	8.5
16½	7½	McManus Gp 10p	13	......	—	—	—	—
33¾	26	McNeil Gp.	51½	......	12½	1.0	8.9	10.0

CHEMICALS, PLASTICS, ETC.

CINEMAS, THEATRES AND TV

DRAPERY AND STORES

DRAPERY AND STORES—Continued

1971 High	1971 Low	Stock	Closing Price pence	+ or —	Div. % or amount	Times covered	Gross yield %	P/E Ratio
194	92½	Perkins (D.)	194	+1	27	1.6	3.6	17.5
115	73¾	Peters (J.) Furn.	115	......	d18	1.8	3.7	16.0
24½	10½	Plushpile 10p	24	......	†18	1.9	7.5	7.9
33	23	Polly Peck 10p	69	......	d27½	1.5	8.6	7.8
60	37	Preedy (Alfred)	50	......	16½	♦	9.2	♦
17	11½	Queen St. W. 10p	15	......	B—	—	—	—
12½	9½	Ramar Text 5p	11½	+½	90	9.3	9.7	4.9
64	28	Ratners 10p	64	......	d30	1.5	5.7	11.5
77	57	Raybeck 10p	73	......	d32½	2.4	4.5	9.2
46½	29	Readicut 5p	46	......	27	2.2	9.9	15.9
306¼	210	Reed Astn A £1	305	......	49.2	1.9	3.1	17.1
46	25	Rivlin (ID&S) 10p	40	......	29½	♦	7.6	♦
84	62½	Ross (W&Paint.)	83	......	d25½	1.7	7.7	7.7
30	16½	S&U Stores 12½p	26	......	12	♦	8.1	♦
35	25⅝	Do. 25% P(Ord) 12½p	35	......	26	♦	8.6	♦
140	88	Samuel (H.) A	134	+1	15½	2.1	2.9	16.4
17	7½	Selincourt 5p	17	......	16	1.4	4.4	16.2
17½	8	Sharna W're 20p	17½	......	—	—	—	—
15½	7½	Sherman (S.) 10p	19½	......	—	—	—	—
517	332½	Smith W H 'A' £1	505	—12	12	9.0	2.4	91.0
65½	35	Spirella 20p	63½	......	d13½	1.4	4.3	18.1
60	26½	Steinberg 10p	60	+2	d20	1.8	3.3	16.2
140	66	Stone (J&F)	140	......	♦d20	1.3	3.9	20.6
72	32	Stone-Dri	72	......	d10	♦	3.6	♦
14¾	10½	Starla (Geo.) 10p	12	......	5	—	4.3	—
60	30	Sumrie (CM) 20p	60	......	92½	0.9	9.0	11.8

ELECTRICAL AND RADIO

ENGINEERING AND METAL

ENGINEERING AND METAL—Gen. Cont.

1971 High	1971 Low	Stock	Closing Price pence	+ or —	Div. % or amount	Times covered	Gross yield	P/E Ratio
155	105	Batt'rsy Stel 20p	152	—5	35	1.3	4.6	16.1
58	32½	Head Wrightson	58	+½	11	1.5	4.7	14.1
76	43	Hill & Smith	65	......	d16½	2.3	6.3	8.9
385	270	Hopkinsons £1	385	+5	22	1.4	8.7	12.3
68	29½	Howden Group	62	+3	128	0.4	†	—
65¾	21⅛	Hupfield Brs. 2p	81½	......	—	—	—	—
78	48½	L.M.L.	73	—5	11	1.9	8.8	13.2
18	9¼	Int. Combustion	14½	......	—	—	—	—
138	81	Int. Comp. Air	138	+5	A14	1.2	8.5	20.0
20½	14½	Jacks (Wm.)	80	......	—	—	—	—
24½	12	Jacks'n J&H B 5p	18	......	bd6	7.7	1.7	7.9
46	24	Johnson (C.H.)	27	......	14½	1.7	13.6	4.4
385	360	Johnson (R&N) £1	385	......	T17	2.1	5.2	8.9
48½	37	Keay (Thos. C.)	45	......	—	—	—	—
76½	47½	Kent Castgs 10p	76	—½	30	9.0	4.0	12.8
56¼	38	Kirkstall Forge	43	......	10	2.0	5.8	8.0
163¾	105	Kitson's 50p	110	......	b16½	1.5	7.5	9.2
35½	19¾	Laird Group	30½	—1	1	—	—	—
108	74	Lake & Elliot 50p	105	......	A19½	1.8	6.0	9.1
161¼	137	Lead & Alloys	156	+19	40	1.8	6.4	8.6
28½	21	Lee (Arthur) 12½p	25	+½	17	2.1	9.5	5.5
65	40	Linread	67	......	16	1.9	7.0	7.4
65	40	Do. "A"	67	......	—	—	—	—
74	40½	Lloyd (F.H.)	74	......	19½	1.2	0.8	11.8
14	10	Locker (T.) (5p)	14	+½	16	1.5	6.7	11.9
12½	9	Do. "A" (5p)	18½	+¼	12	1.5	6.4	10.6
81	61	London & Midl'd	80	+7	A17½	2.2	5.6	9.3
180	135	Longmore Bros.	180	......	55	1.8	7.6	7.5
39	24	M. L. Holdings	32	......	15½	1.7	10.4	6.2
67	50	Macreadys Mtl.	55	......	d17½	2.2	7.8	5.9
81¼	12	Mangan Bronze	14½	......	6½	7.9	5.7	8.2
21	16	M'ry't GpNV 10p	21	......	b15	1.4	7.2	2.2

FOOD, GROCERIES, ETC.

HOTELS AND CATERERS

HOTELS AND CATERERS—Continued

1971 High	1971 Low	—	Closing Price pence	+ or —	Div. % or amount	Times covered	Gross yield %	P/E Ratio
130	100	Golden Egg 5p	116 xd	......	†85	2.0	3.7	15.5
197	138½	Grand Met. 50p	182	—1	6	4.5	1.6	15.1
250	185	Kensington Pal.	250	+5	11	8.4	1.1	37.3
250	165	Do. 'A'	250	+5	11	2.4	1.1	37.3
110	100	Kursaal	100	......	†20	4.5	5.0	5.9
247	122½	Ladbroke	230	+2	b40	2.2	4.3	10.0
38	23	Leisure Gen. 10p	29	......	b10	2.5	3.5	11.0
524	395	Lyons 'A' £1	512	—2	13.6	1.9	2.7	20.3
66	65	Mario Franco 10p	76	......	d42½	1.4	9.7	12.8
19	15	Mt Charlotte 10p	16½	—½	6½	1.8	9.9	14.3
149	111¼	Myddleton 50p	122	—2	12	1.3	6.0	15.5
38	27½	Norfolk Cap. 5p	31	......	82½	1.8	9.6	15.1
78	50	North M.F. 10p	72	......	15	1.8	8.2	27.8
28⅝	14	Palace Derby	15	......	4	—	—	—
27	18	Pic'dily Rst. 10p	19½	......	—	—	—	—
27½	22¾	Pontin's 10p	25	—½	12	1.6	4.6	13.8
17½	11½	Queen's Mod. 5p	12½	—⅛	16	1.0	6.0	15.9
122½	104	Rowton Hotels	122½	......	21	1.4	4.3	15.2
30	26	Ryans Tour 5p	26	......	22	†2.6	4.2	9.2
340	285	Savoy 'A' 50p	335	......	12½	1.8	2.5	21.7
151	117	Trust H. Forte	117	—3	80	1.7	4.2	14.1
21½	18½	W'rn'r Hol. A 10p	20½	......	16	1.7	7.8	7.4
98	80	Wh'lers R'rt 10p	97	......	52½	♦	5.5	♦

INDUSTRIALS (Miscell.)

1971 High	1971 Low	Stock	Closing Price pence	+ or —	Div. % or amount	Times covered	Gross yield %	P/E Ratio
106	73	A.A.H.	104	—2	86	1.6	2.0	9.0
87	67½	A.D. Int.	87	......	18	1.5	5.2	12.4
46	36	ADM Syst'ms 5p	43	—3	d42½	♦	4.9	♦
111	74	AGB Res'ch 10p	110	—1	d27	1.7	2.5	23.9
123	80	A.V.P. Inds 40p	119	—3	13	♦	4.4	♦
39	22¾	A. W. (Sec.) 10p	38	+½	15	♦	3.9	♦

"Recent Issues" and "Rights" Page 13

هكذا من الأصل

INDUSTRIAL (Miscell.)—Continued

[illegible]

[illegible]	[illegible]	Wilkinson (20p)	60	......	15	1.1	5.0	18.7
[illegible]	[illegible]	Do. A N-V (20p)	46	+1	15	1.1	6.5	14.3
[illegible]	[illegible]	Wilkins & Mitchell (5p)	195	—1	¢25	5.6	6.2	9.8
[illegible]	[illegible]	Williams (J.)	39	......	10	2.6	6.4	8.0
[illegible]	[illegible]	Wills (George)	52	—1	11½	2.0	6.5	2.2
[illegible]	37	Windsors (5p)	73	......	†d50	3.0	3.5	9.6
[illegible]	[illegible]	Wood Inds. (20p)	27½	+½	8	9.7	5.8	6.4
[illegible]	[illegible]	Wood (Thomas)	44	—2	15	1.0	8.5	11.2
[illegible]	[illegible]	Wolstenholme	312	......	26	2.2	3.1	14.2
[illegible]	5	Wood & Sons (5p)	6½	+1	10	2.5	7.7	5.1
[illegible]	5½	Yatton Furn (5p)	8½	—¼	9	Φ	6.5	Φ
5½	10½	Zetters Pools (5p)	13½	......	d17½	1.8	6.5	9.8

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INSURANCE

[illegible]

MACHINE TOOLS

[illegible]

MOTOR, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Aircraft

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING, ADVERTISING

[illegible]

218	175	Waddington 'B'	187 xd	+1	50	Φ	6.7	Φ
84	55	Watmoughs	84	......	14½	2.4	4.3	9.8

PROPERTY

93	65½	Alliance Prop.	92½	—½	111	1.2	3.0	31.2
47	30½	All'd London 10p	46½	—½	b22½	1.3	4.8	14.0
131	95	Allnatt London	129	—2	d15	Φ	2.9	Φ
278	193	Amal. Inv & Prop.	277	—1	†20	1.6	1.8	54.2
108	72½	Apal. Securities	107	......	13.4	1.1	3.1	29.9
46	31	Apex Props. 10p	45	—1	15	0.9	3.3	34.8
15¾	11¼	Aquis Secs. 5p	13½	......	10½	1.5	3.9	20.6
60	38¾	Argyle Secs.	52	......	†7	1.8	6.4	25.8
115	81	Artagen	113	......	12½	1.3	2.8	28.0
67	41	Ashworth Steward	57	......	d15	1.9	6.6	8.0
72½	47½	Assd. Developm't	68½	......	9	2.4	3.3	18.8
66	31¾	Avenue Cl'se 20p	56 xd	......	td10	1.1	3.0	56.4
98	58	Beaumont Props.	97	—½	13½	1.3	6.8	22.7

PROPERTY—Continued

[illegible]

SHIPBUILDERS, REPAIRERS

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

STEELS

[illegible]

TEXTILES—GENERAL

[illegible]

TEXTILES—WOOL

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

Finance, Land, etc.

[illegible]

UTILITIES

[illegible]

OILS

[illegible]

RUBBERS—MALAYSIAN

[illegible]

RUBBERS—MISCELLANEOUS

[illegible]

SISAL

[illegible]

TEAS

India and Pakistan

[illegible]

TEAS—Continued

Ceylon—

1971 High	1971 Low	Stock	Closing Price pence	+ or —	Div. % or amount	Times covered	Gross Yield %
58	54	Bogawantalawa £1	54	—1	10	1.0	18.5
7¼	4½	Central Prov.	7	......	5	U1.9	20.8
140	101¼	Ceylon Plants (£1)	112 xd	—2	20	Φ	16.9
28	18⅛	Demodera	28	+1	—	—	—
45	35	Olmbula Valley £1	35	......	3	2.3	8.6
6	4¾	Galaha (20p)	5	......	4	U1.8	13.3
3½	2½	Gen. Ceylon (10p)	3¼	......	2	U1.3	3.0
135	77½	Hanipha Ceylon £1	135	......	Φ4	—	3.0
46	32½	Lanka (£1)	44	......	3	1.2	11.4
50	37	Lunuva (£1)	50	......	3	1.3	6.0
26	21	Nuwara Eliya (£1)	25	......	2½	9.8	9.6
35	28¾	Ouvah High £1	33	......	2½	—	7.1
125	92½	Pelmadulla £1	117	+5	21	1.2	17.9
11¼	9½	Rajawella 8 dg. 50p	10½	......	B—	—	—
13½	9⅛	Roseburgh	10½	......	5	0.4	11.9
5⅛	4	Scot. Ceylon	4	......	—	—	—
21¼	15	Scot. Tea & Lds £1	17	......	2	Φ	12.5
50	36	Standard £1	50	......	5	Φ	10.0
5	4	Tea Corporation	4	......	—	—	—

MINES—CENTRAL RAND

1971 High	1971 Low	Stock	Closing Price	+ or —	Div.	Times covered	Gross Yield
95	70	Durban Deep (R1)	83	......	14c	2.0	[illegible]
110	68	East Rand Prp. (R1)	78	—1	4c	9.4	[illegible]
27	21	Luipaards Vl. (10p)	25	+1	2c	Φ	5.1
11¼	9	Rand Leases (2½c.)	11	......	—	—	—
90	66¼	Randf'nt'n Est. (R2)	76	......	14c	1.6	[illegible]
68¼	45	Robinson Deep (2½c)	50	......	4½c	1.2	[illegible]
26¼	20	Simmer (2c)	22	......	—	—	—
40	33	West Rand (R1)	33	......	10c	2.6	17.7

EASTERN RAND

1971 High	1971 Low	Stock	Closing Price	+ or —	Div.	Times covered	Gross Yield
63	43	Bracken (R1)	46½	—½	18c	0.9	[illegible]
10	8½	Daggafontein (50c)	9	......	—	—	—
29	21¼	East Dagga (R1)	26	......	†11c	1.0	25.7
16	11	East Geduld (24c)	11	......	14c	—	74.2
15½	10	G'vaal'i Areas (2½c)	11½	......	20c	1.0	[illegible]
22	17½	Grootvlei (25c)	17 xd	......	4.5c	2.2	15.0
113½	24	Kinross (R1)	86½	—½	14c	1.9	[illegible]

[illegible]

FAR WEST RAND

[illegible]

O.F.S.

[illegible]

FINANCE

[illegible]

DIAMOND

[illegible]

PLATINUM

[illegible]

CENTRAL AFRICAN

[illegible]

AUSTRALIANS

[illegible]

TIN—EASTERN

[illegible]

TIN—NIGERIAN

[illegible]

TIN—MISCELLANEOUS

[illegible]

COPPER

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
15⅛	10	Indian (10p)	12	......	11.1	3.0	[illegible]
296	257½	Messina (R0.50)	268	—5	90	9.0	[illegible]

MISCELLANEOUS

7⅞	5	Burma Mines 17½p	6	......	—	—	—
26	17½	Cent. Prov. Mn. 12½p	21	......	10	Φ	10
31	13	Charterhall (5p)	17	—2	—	—	—
612½	370	Cons. Murch 10c	426	......	160c	2.1	[illegible]
279	273¼	G. F. Mg. Ind. Ob.	279	......	7½	38.0	[illegible]
565	305	Northgate (C$1)	483	—50	50c	2.8	4
270	210	R.T.Z.	237	—6	24	1.8	[illegible]
295	89⅛	Sabina Mines (C$1)	260	—15	—	—	—

For Notes, see Stock Exchange Dealings

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THE LEX COLUMN

Index fell 4.5 to 404.4

Credibility, and contested bids

A fall of 7.6 points at 2.45 narrowing to 4.5 points at the close leaves the 30 Share Index down just 8.7 points at 404.4 over the past two days: the All-Share is within a whisker of Monday's level. There can be no complaints about that performance, considering first that EMI and the horrid Capitol figures are responsible for 3½ points of the drop, and secondly, the profits that were there to be taken with no discouragement from the jobbers. In the first six days of the account, after all, there were rises of around a tenth and upwards in machine tools, motors, banks, and some of the big engineers like Tubes, GKN and Vickers. Whatever the speculative element here, the market is showing plenty of resilience at the moment.

As for gilts, Monday's statement puts the longer term fears into a clearer focus. Yet for the short term, it is arguable that the influences behind the strength of recent weeks—like the amount of money in the system and the Government broker's apparent willingness to keep interest rates down—have only been fuelled by the latest news: with the current low volume levels, volatility may be no surprise.

Funny money

The takeover game is renowned for its production of "novel" ideas (thank Trafalgar House for that adjective), perhaps because providers of corporate finance take what they want while takeover victims, sometimes, have to take what they can get. One of the more curious ideas this week came from the Rowntree camp. This suggested that its new 8 per cent. convertible, part of the Bovril Package, would stand at 104 with the Rowntree Ordinary at 510p, and 112 with the shares at 520p.

In the first place, it seems odd that an equity rise of under 2 per cent. is expected to lift the convertible by nearly 8 per cent.; convertible valuations can be an arbitrary affair, but for what it is worth a non-aligned observer reckoned last night that it would take 15p on the share price to add 2½ points to the loan stock. Secondly, there is the implied assumption that Rowntree's profit forecast of around £7.35m. pre-tax against £6.44m. would lift the share price by 20p from the pre-bid 500p; it might have been better to make the forecast first and then see what the share price did, since higher profits were widely expected from Rowntree this year due to the lower cocoa costs, and consumer acceptance of higher prices following decimalisation.

In other words, it is no good simply telling the market what it has to believe. Maybe a Grand Met., with a convertible already in the market at a premium, can afford to stand on its laurels; but in most contested bid situations, underwriting is the key to credibility. It is not so long ago, after all, that a trio of illustrious names was telling Bowmaker shareholders (in February, 1969) that Bowring's bid convertible was worth £105 per cent. The stock opened the following month at £90, hit £65 later in the year; and the fact that it is now £120 can be no comfort to any ex-Bowmaker shareholders who sold out at the bottom. This is in no way a suggestion that a Rowntree convertible would be a similar flop; with an 8 per cent. coupon that is highly unlikely; but if Cavenham does decide to come back, any arguments about the relative quality of the bids should be settled, quite simply, by backing them up with cash.

Discount Houses

Although discount house shares tended to falter towards the end of June, and sentiment was not helped by Union Discount's view that the then unpublished new deal for the discount market would put the squeeze on profits, prices have picked up since then. There are, at any rate, no undue shocks in the Bank of England's proposals, which are presumably a preliminary to formal agreement with the market. The continuing role of the discount houses is confirmed, and the suggestion that public sector debt should account for at least half of assets is hardly onerous in present conditions. Yet it is clear that the market is heading into a much more competitive period; in fact, conditions have already changed sharply with a cut in the margin on fine bank bills, against Bank rate, from 1½ to around half a point within the past two months.

Elsewhere, the prospect of local authority bonds counting as part of the statutory public sector debt has pushed yields down considerably—by nearly half a point—since the Green Paper was produced. The overall impression is that volume could rise sharply, but at much lower margins than the market has been enjoying over the past couple of years. And while the houses may view the proposed changes with equanimity while they are amassing profits in gilts it is possible to visualise conditions—in an ailing fixed interest market, for example—when the 50 per cent. rule could start to bite, while the whole question of competing with the banks for deposits remains an open one.

FNFC

The subsidiaries of Spey Finance fit neatly into First National Finance, given the emphasis on property-angled lending with an element of hire purchase. After adjustments FNFC reckons it is buying historic earnings of about £0.5m. after tax, making a p/e of 17 against FNFC's 23 or more. So the deal stands up in financial terms, adding 11 per cent. to the equity for a 14 per cent. earnings gain. It also serves to add a string of sizeable institutional shareholders — ICI Pension Fund, Royal Insurance, etc.—of the type FNFC has been courting ever since it was rebuffed by the City establishment at the time of the tussle for Bowmaker. The question is whether this expansion is in the right direction at a time when the clearing banks are flush with funds.

Lombard

Gold—the forecasts they want to forget

BY C. GORDON TETHER

THE TIME has come, I feel, 'or some ceremonial eating of words by the bullion market and other pundits who were so fervently declaring last year that he unveiling of the Special Drawing Rights system for creating additional international liquidity had combined with other factors to render gold a "dead issue"—with the private demand destined to fall off to such an extent that henceforward he great bulk of the new metal flowing from the mines would have to rely on official buying at the $35 per ounce parity for a market.

From the start, the "dead issue" displayed such a marked disinclination to lie down that, hare three months after the open market price had fallen back into line with the official figure at the end of 1969, it was breaking loose again. And it has never once returned in he 16 months that have elapsed ince then. On the contrary, he gap has tended to get wider and wider.

Figures speak

Thus in recent weeks the price as risen well clear of the $40 er ounce level, meaning that t has now covered most of the ay from the parity to the peak gure for the early-1968 gold ush phase.

As for the forecast that producers would be much more dependent in future for an outlet on the willingness of he central banks to absorb metal into official stocks, the figures speak for themselves. The net increase in official reserves over the whole of 1970 was mited to around $200m.—that , a mere seventh of the Free World's production—the great bulk of the $600m. odd which South Africa passed on to the ir distribution among its members under the new arrangements devised in December 1969 aving been drawn from her own eserves.

In excess

Since the beginning of 1971 actically no gold at all has een forthcoming for addition to ficial stocks. With the free arket readily absorbing pretty ell the whole of her output at emium prices, South Africa s had less than $100m. available for sale to the Fund at the arity figure, and a sizeable part that was the product of a rther run down in her own icial reserves.

The evidence provided by ese figures that the private mand for gold is tending to t-strip the supply is impressive ough by itself. It appears very uch more so when account is ken of the effect the pundits' oomy 1970 predictions must ave had in encouraging the quidation of the remains of the speculative overhang created the 1968 gold rush. Even if is accepted that they produced e unloading on the market of more than a few hundred illion dollars' worth of metal, is evident that the private offke of gold for industry, the arts d long-term hoarding purposes ust have been running over the st 18 months materially in cess of new production.

Implications

The implications of the post-DR story for the gold price hate hardly need to be underned. It is, of course, conceivable that, with unrest over the llar building up again, the new surge in the private demand recent months has been in me measure accounted for by revival of short-term speculan. But this was certainly not e case previously, the general sessment having been that the rival of SDR's paper-gold uidity had put paid to hopes a change in the official price r many years to come.

What this means is that there w seems little doubt that the cent market probes have not er-estimated the extent to ich private absorption of gold doubtless encouraged by the t that in real terms the metal sts only a third of what it did fore World War II—has panded in an enduring sense. om which it follows that icial gold starvation is almost rtain to go on getting worse long as the dollar parity is ld down to the manifestly realistic figure of $35.

That is worrying enough in elf. What makes it more so that the bigger the devaluan of the dollar in terms of ld indicated by the free arket premium, the more xious central banks are likely become about the existing lationship between the gold d dollar elements in their serves.

Basis for Malta agreement not in sight—Carrington

BY J. D. F. JONES, FOREIGN EDITOR

VALLETTA, July 21.

THE FULL gravity of the crisis between the British and Malta Governments was revealed by Lord Carrington here this morning when he said he was returning to London "much concerned about the differences in our two positions." The Defence Secretary added, in an airport statement concluding his two days of talks, "in my view the basis of any new agreement is not in sight."

Lord Carrington said he was expecting to see Mr. Heath later and it is likely that he will report to the Cabinet to-morrow. There will then have to be consultations with Britain's NATO allies, and in the meantime contact will be maintained with the Malta Government through the British High Commissioner in Valletta.

Exasperation

At the end of their visit, the British team were hardly bothering to conceal their exasperation with the way Mr. Dom Mintoff, the Maltese Prime Minister, is demanding as rental for the British bases on the island a figure far higher than anything London would consider remotely reasonable.

Mr. Mintoff's precise terms have not been revealed but are known to be considerably higher than £15m.; under the 1964 Defence and Financial Agreements, Malta has been receiving £5m. a year for the facilities enjoyed by British troops and thus by NATO.

The position now is that Lord Carrington, having discovered that Mr. Mintoff's terms are beyond the scope of what he considers serious negotiation, has preferred to withdraw immediately to London.

Mr. Mintoff's bluff has therefore been well and truly called—but what remains to be seen in these next days is whether Mr. Mintoff has in fact been bluffing or whether he will refuse to discuss a lower price even at the cost of severe economic and political embarrassment for Malta.

Later to-day observers could note the first signs that the

Lord Carrington at Heathrow on his return from Malta yesterday.

Maltese may be beginning to realise the implications of a breakdown of negotiations. Lord Carrington underlined this when he said in his statement: "These defence facilities are not indispensable, and if the basis for a new agreement is not found and cannot be found, we would not want to stay against the Malta Government's wishes."

Team leaves

The gravity of the situation was also emphasised by the fact that the entire British team has now left including the Minister of State, Lord Balniel, who some Maltese had thought might stay on while Lord Carrington referred the Mintoff proposals to the Cabinet in London.

The conclusion the Maltese have to draw is that although the Defence Secretary said he will be reporting to the Cabinet and consulting with NATO allies and would be in communication with the Malta Government, the British are now prepared to let Mr. Mintoff work out, in his own time, whether or not he is ready for the rupture of the traditional and immensely close Anglo-Maltese relationship.

It is not yet known whether or when Mr. Mintoff will make any statement. He has always been unpredictable in these things but presumably he will not want to consider his position for too long in view of the urgency with which he has tackled this matter in the five weeks since he came to power.

Our Foreign Staff adds: Lord Carrington's forthrightness on leaving Malta and after arriving at London Airport left Whitehall almost without words last night. Officials declined to elaborate on what he had said at his two Press conferences, suggesting it would be wiser to wait and see what would follow his report to the Cabinet.

They gave the impression, however, that the ball was now in Mr. Mintoff's court. The indication was that if the dialogue is to be resumed, then the decision to resume should await the Cabinet's approval. Lord Carrington said at Heathrow he "did not know" whether Mr. Mintoff wanted to come to London. It was up to him.

Both losers

At London Airport Lord Carrington emphasised that "if the British pulled out of Malta, both sides would be the loser—and Malta's loss would be the bigger."

He underlined again that Britain would not stay if its presence was not wanted. He said he could indeed foresee circumstances in which British troops would be withdrawn, adding: "Facilities can be provided elsewhere, but we would like to have an agreement with Malta."

He refused to be drawn on Mr. Mintoff's reported demands for at least £15m. a year from Britain for the use of the island's facilities by its troops, and this refusal was echoed in Whitehall where the suggestion was that it would be premature to discuss figures at this stage.

Mortgage demand still ahead of cash inflow

By Sandy McLachlan

BUILDING societies are still facing a demand for mortgage funds which outstrips the money available. This was asserted by Mr. Stanley Morton, chairman of the Building Societies Association, at the Association's half-yearly Press conference yesterday.

Mr. Morton repeated the warning of other building society leaders that a cut in the mortgage rate was not currently under consideration. "There is an encouraging inflow of funds which is matched by a heavy demand for mortgages," he said. "Under present conditions it is probable that a downward adjustment of rates would lessen the inflow and lead to fewer home loans being available."

The rejection of a lower interest rate structure comes in spite of the fact that building society liquidity is high, at an average of 17.7 per cent., and that net receipts of the movement during the first six months of the year were an all-time record of £845m. Mr. Morton estimated that lending for the full year would be in the region of £2,500m.—more than £500m. more than in 1970.

This estimate is based on a projected net inflow figure of £1,700m. for the year, and with what Mr. Morton described as "customary optimism," the BSA hopes that the eventual figure for net receipts may be in excess of this.

Certainly the movement has broken all records so far this year. In spite of an increase in the average mortgage from £3,540 to £3,960, the number of home loans completed in the first six months was 298,000 against 244,000 in the first half of last year. If the £2,500m. lending estimate is achieved it will mean something like 600,000 mortgages granted during the full year.

In the six months to June the assets of the building society movement increased at an annual rate of 16 per cent. At the end of June the total assets figure stood at £11,717m.

FNFC acquiring Spey Finance

BY NICHOLAS LESLIE

IN an £8½m. cash and shares deal, First National Finance Corporation is to acquire Spey Finance, the banking and finance subsidiary set up by Spey Investments in April. This represents a radical change of heart by Spey Investments, the private investment, finance and industrial group founded four years ago by Mr. Charles Gordon.

For FNFC, the acquisition means an expansion of its banking activities, centred on Cassel Arenz and its hire purchase offshoot, Financings, through Spey Finance's three subsidiaries. These are Twentieth Century Banking Corporation, Goulston Finance Holdings and Graham Finance.

The offer

FNFC's offer is for the £5m. of share and £3m. of subordinated loan capital of Spey Finance. At the same time, it will take on £4½m. of borrowings with which Spey Finance purchased Goulston from Town and Commercial Properties in May.

Spey Investments has wasted no time in deciding to off-load its finance subsidiary. According to Mr. Philip Ralph, a managing director, a complete reappraisal of the group's activities followed Mr. Gordon's departure at the beginning of July as a result of a policy disagreement.

It was decided, with the full backing of Spey Investment's institutional shareholders, that the company should revert to its original policy of industrial investment. At the same time, FNFC made an approach for Spey Finance and its three subsidiaries and as this fell in with Spey Investment's plans, a deal was negotiated.

Following the deal, Spey Investments will have as its major assets £3m. of industrial investments, a half-stake in National Car Parks and its venture capital subsidiary, Warwick Securities. In addition, it has a 35 per cent. holding in Spey Westmoreland Properties, but discussions are under way to sell this interest to Westmoreland Investments.

In consideration for Spey Finance, FNFC will pay £1m. in cash and the balance by the issue of 2.72m. Ordinary shares, last night standing 1p down at 330p.

New Board

Spey Investments will sell the major part of its FNFC shares to its institutional shareholders, which are Electricity Superannuation Schemes, ICI Pension Fund, Barclays Bank Pension Fund, Royal Insurance Company and Fund Holdings. The remaining 500,000 or so shares will be sold to investment clients of N. M. Rothschild, including Rothschild Investment Trust.

On completion of the deal, the name of Spey Finance will be changed and its directors will resign, with nominees of FNFC subsequently being appointed. Spey Finance's directors include Sir Paul Chambers, who is also chairman, and Lord Chalfont, the former Labour Minister, who is chief executive. They are also both directors of Spey Investments.

See Men and Matters Page 16

TEXTURED JERSEY PLANS FOURTH FACTORY

Textured Jersey yesterday announced plans for opening a fourth factory in the Leicester area—they already have one at Anstey and two at Wigston.

The new project, to be operational early next year, will create about 200 new jobs over 18 months. It will include a dyeing section—a new venture for the company.

Weather

U.K. TO-DAY

SCOTLAND, N. Ireland and N. England: Rather cool, some showers, sunny spells. Wales, Midlands, S. England: Rather cloudy with some rain. Sunny intervals especially in S.E. England at first. Temperatures mostly below seasonal normal.

London, S.E. England, E. Anglia

Mostly dry with sunny spells, becoming more cloudy with outbreaks of rain. Wind light variable. Temps. near normal. Max. 21C (70F).

Cen. S., S.W. England, Channel Isles, Wales

Cloudy with some rain. Bright intervals. Wind S.-S.E. light or moderate. Temps. below normal. Max. 19C (66F).

E. England, E. Midlands

Cloudy with bright intervals. Rain later. Wind light variable becoming mainly N.E. Temps. below normal. Max. 19C (66F).

N.W. England, Isle of Man, S.W. Scotland, N. Ireland

Cloudy with some rain. Sunny spells and showers later. Wind light variable becoming mainly N.E. Rather cool. Max. 17C (63F).

Cen. N., N.E. England, E. Scotland

Cloudy. Showers and perhaps longer outbreaks of rain. Wind N.E. light or moderate. Rather cool. Max. 17C (63F).

Rest of Scotland

Sunny intervals, isolated showers. Wind N.E. light or moderate. Rather cool. Max. 15C (59F).

OUTLOOK: Changeable with rain. Bright intervals, especially in N. and W. Temps. mostly near normal. Rather cool in N.

BUSINESS CENTRES

	Y'day Mid-day	°C	°F		Y'day Mid-day	°C	°F
Amstrdm.	R	16	61	Manchstr.	C	17	63
Bahrain	S	36	97	Melbourne	C	14	57
Beirut	S	29	84	Mexico C.	C	20	68
Belfast	C	17	63	Milan	C	24	75
Belgrade	S	23	73	Montreal	S	21	70
Berlin	F	20	68	Moscow	F	21	73
Birmghm.	C	17	63	Munich	F	18	64
Bristol	C	17	63	Newcastle	R	16	61
Brussels	C	19	66	New York	C	26	79
Budapest	F	21	70	Oslo	F	20	68
B. Aires	C	22	72	Paris	F	24	75
Cairo	S	34	93	Prague	F	19	66
Cardiff	C	18	64	Reykjavik	C	12	54
Cologne	C	22	72	Rio de J'o	S	25	77
Copnhagn.	S	17	63	Rome	F	27	81
Dublin	C	16	61	Singapore	S	30	86
Edinb'rgh	C	18	64	Stockholm	C	17	63
Frankfurt	F	21	70	Strasbourg	S	23	73
Geneva	S	21	70	Sydney	S	15	59
Glasgow	F	18	64	Tehran	S	33	91
Helsinki	C	18	64	Tel Aviv	C	27	81
H. Kong	C	33	91	Tokyo	C	26	79
Jo'burg	S	18	64	Toronto	S	20	68
Lisbon	S	23	73	Tunis	S	29	84
London	C	19	66	Vienna	F	21	70
Luxembrg.	S	21	70	Warsaw	F	19	66
Madrid	S	29	84	Zurich	S	18	64

HOLIDAY RESORTS

	Y'day Mid-day	°C	°F		Y'day Mid-day	°C	°F
Ajaccio	S	26	79	Jersey	C	21	70
Alxndria.	F	29	84	Las Plms.	F	27	81
Algiers	S	31	88	Locarno	S	24	75
Athens	S	28	82	Luxor	S	47	117
Barcelona	C	26	79	Majorca	S	26	79
Biarritz	S	22	72	Malaga	S	28	82
Blackpool	C	18	64	Malta	S	25	77
Bordeaux	S	25	77	Nairobi	C	16	61
Boulogne	C	12	61	Naples	S	27	81
Casablnca.	F	24	75	Nassau	S	30	86
Cape Tn.	S	16	61	Nice	F	25	77
Corfu	C	24	75	Nicosia	F	32	90
Faro	S	26	79	Oporto	S	20	68
Florence	C	22	72	Rhodes	S	28	82
Funchal	F	23	73	Salzburg	F	17	63
Gibraltar	S	26	79	St. Moritz	S	18	64
Guernsey	F	21	70	Tangier	S	25	77
Innsbruck	F	20	68	Tenerife	S	24	75
Inverness	C	12	54	Tunis	S	29	84
I. of Man	C	16	61	Valencia	F	28	82
Istanbul	S	24	75	Venice	S	25	77

F—Fair. S—Sunny. C—Cloudy. R—Rain.

Pollen count: 40 (low). Forecast: similar. —Asthma Research Council.

New discount market rules set out

BY MICHAEL BLANDEN

NEW rules for the discount market under the Bank of England's new credit control policy were set out yesterday. They include the requirement that the companies which make up the market should keep a minimum of 50 per cent. of their funds in public sector debt.

The proposals for the discount houses were sent out confidentially at the same time as the Bank presented its paper on "Competition and Credit Control" to the banks in mid-May. Publication of its details is being taken as a sign that agreement on the new form of controls is close.

The terms of the proposals are in line with the basic idea of the main paper, to "devise arrangements which would allow members of the market freedom to compete." The 50 per cent. rule is designed to enable the Bank to keep control over credit extended by the discount market.

The ratio has been fixed in line with the average recent practice of the market, and is accepted as reasonable—though some of the houses point out that it might be difficult to observe at times, for example, when gilt-edged stocks are unattractive to them.

The other major aspect of the arrangement is that the discount houses' agreement to cover the weekly Treasury bill tender will remain in force in one form or another. The bank has told the Discount Market Association that it wants to keep its present form of operation in the money market.

And it has made the continued covering of the tender a condition of the continued provision exclusively to the discount houses of the last resort lending facilities which are vital to their operation in their present form.

Competition

It is thought, however, that there may be some increase in competition. The agreement on the Treasury bill tender, for example, need not continue to take the form of the present syndicated arrangement under which all the houses agree a fixed bid each week and take a share of the bills received, but could include an element of competition for bills.

There are question marks still, moreover, over the agreements between the discount houses and the clearing banks. These include the arrangements under which the banks do not bid for Treasury bills at the tender in their own right, or buy "hot" bills less than a week after issue, while the discount houses do not compete for non-bank deposits.

The future of these agreements is being discussed and depends partly on clearing bank decisions. The logic of their abandonment of their collective agreements on interest rates among themselves may be that the discount market agreements will also be at least tempered, to produce heightened competition in the money market.

The Bank has also pointed out that when it gives lender of last resort facilities it will require the houses to provide part of the collateral, up to a minimum proportion to be agreed, in the form of Treasury bills.

At the same time, it has asked the houses to "police" the operations of the banks, which might be tempted to "window-dress" their accounts at their monthly make-up day by switching their assets on a short-term basis to maintain their required ratio of approved reserve assets. The discount houses have each been asked to give a firm undertaking that they would not wittingly engage in such transactions.

Premium

The discount houses regard the proposals as acceptable, though it is thought that the increased competition for funds and assets may reduce the margins they earn. At the same time, it is recognised, as the Bank points out, that the new reserve ratio demanded of the banks is likely to put a premium on the discount market's services, and they should as a result have the opportunity to do more business.

Continued from Page 1

Wilson acts to dampen row

seek to exploit the Labour Party's difficulties, although he could not resist numerous quotations from Mr. Wilson when he was at 10, Downing Street, to demonstrate what a dedicated European he was in those days.

Mr. Wilson's controlled tirade on Tuesday against the "manoeuvrings" of Mr. Jenkins' supporters and against the Left's threats of retaliation seems to have steadied the party. Some of the Jenkinsites are slightly shaken—each protesting his innocence—and the Left-wingers say they have put their knives away "for the time being."

But many Labour MPs are still puzzled by Mr. Wilson's hint that plots were being made against him. They are also still trying to plumb his Delphic words about the leadership and his apparent threat that he might not stand for re-election if the factional warfare in the party continued.

"A paper tiger" was how one MP described this. Others say that Mr. Wilson should stop listening to the "gossip and tittle tattle" which some of his aides bring back from the Commons tea room.

Trade union MPs tend to approve of Mr. Wilson's attack on the young Jenkinsites, whom they regard as "Hampstead intellectual elitists." But, even so, many of them regret the last few stormy days. They fear that great damage has already been done to the party in the country, by both Mr. Wilson and Mr. Jenkins, and that the picture of a party trying to tear itself apart will infuriate party workers in the constituencies.

Mr. David Steele, the Liberal Whip said last night that Mr. Wilson's public image was being wrecked by his "circus performance" over the entry terms.

This performance of Mr. Wilson and some of his colleagues had further diminished politics, especially in the eyes of the younger generation.

"The decision which Parliament is about to take is of more importance to young people and to our children than it is to our present day rulers," he added.

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